

FOR IMMEDIATE RELEASE

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SEQUELLA CELEBRATES A DECADE OF SUCCESS

Science Highlights Include Advances in Tuberculosis Detection and Treatment

Rockville, MD – Sequella, a clinical stage biopharmaceutical company focused on commercializing products to treat diseases of epidemic potential, is celebrating its 10th anniversary this month. In an industry where results and profits take years to come to fruition, a decade in business with the successful development and commercialization of novel products is reason to celebrate, and Sequella will do so at an April 11th gala in Washington, D.C.

“We are pleased to be here today to celebrate the growth, the success, and the experiences of the past decade,” said Dr. Carol Nancy, President and CEO of Sequella. “When I look back at the progress we’ve made and the partnerships we’ve established in the fight against tuberculosis (TB) and other potential epidemic diseases worldwide, I am extremely proud of what we’ve accomplished. With the creation of a revenue-generating animal diagnostic already on the market through Chembio Systems, Inc., a human TB detection diagnostic nearing market readiness, a promising new TB drug in clinical trials that works well with existing treatment options and is effective against XDR-TB, and a pipeline full of potent antibiotics moving towards the clinic, I think we all can feel proud of our work to fulfill our promise to investors and humanity.”

Dr. Nancy, speaking to an audience of long-time public and private partners and funders, and staff and friends in Washington, D.C., made note of some of Sequella's accomplishments over the last 10 years. A video production included the following in a list of company milestones.

- In 1999, Sequella received the first NIH Small Business Innovation Research grant and had continued success in grant applications over the next 9 years. This resulted in more than \$16 million in additional non-dilutive grant support and the commercialization and revenue-generating out-license of the company's first product (a veterinary tuberculosis (TB) diagnostic with partner Chembio Systems) in Q4 2007.
- Since 2000, Sequella in collaboration with the National Institutes of Health (NIH), worked on the identification of a new method to create hundreds of thousands of new chemical entities and screen them for activity against TB. In 2001, this partnership with the NIH enabled Sequella to discover a new drug candidate, SQ109, for the treatment of TB that has now completed the first of its safety studies in humans (2007) and has been granted Fast Track Status by the US FDA and Orphan Drug Status by the US FDA and European Medicines Agency (EMA). In 2007, SQ109 was named one of the *100 Great Investigational Drugs* by R&D Directions (vol.13:18-40), the only new TB drug to be so listed by the Tufts Center For the Study of Drug Development (csdd.tufts.edu).
- Out of the original proprietary 130,000 compound library of antibiotics, Sequella also discovered a new class of anti-tuberculars and in 2007 selected the lead drug candidate from this series, SQ609, to advance to human clinical trials.
- In 2004, Sequella licensed from Sankyo (now Daichii Sankyo, Japan) the commercialization rights to a family of compounds that inhibit cell wall synthesis in bacteria. These compounds have activity on a number of different bacteria and will enable Sequella in the future to expand



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its therapeutic indications beyond TB. A new drug active against non-tubercular Mycobacteria is now moving into Investigational New Drug (IND)-enabling preclinical studies.

- By creating a way to make synthetic protein MPT-64 using recombinant DNA technologies in 2004, Sequella was able to perform a number of clinical evaluations of its Patch Test for TB as a point-of-care diagnostic to detect active disease. The final touches on this important new diagnostic method are being worked out now, with the hope that this product will be commercialized in late 2008 or early 2009.

“Being CEO of Sequella for the last ten years has been a wonderful journey full new discoveries and new friends, mentors, partners and funders,” said Dr. Nancy. “I have never doubted our ability to make a difference in a world where TB and other epidemic diseases negatively impact millions of people each and every year. It is a true honor and pleasure to share this evening with each of you as we start a new decade full of promise and products.”

About Sequella, Inc.

Sequella is a clinical-stage biopharmaceutical company focused on commercializing improved treatment paradigms for diseases of epidemic potential. The company leverages its global influence, infectious disease expertise and diverse product portfolio to proactively address emerging health threats with significant market opportunity. For more information, please visit www.sequella.com.

Forward-Looking Statement

This press release contains forward-looking statements that are subject to risks and uncertainties. Actual results could differ significantly from results discussed. Sequella disclaims any intent or obligation to update forward-looking statements, except as required by law.

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