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NEWS RELEASE

FOR IMMEDIATE RELEASE

**SEQUELLA, INC. RECEIVES NCI/NIAID INTER-INSTITUTE PROGRAM
SCIENTIFIC SUPPORT FOR THE DEVELOPMENT OF NOVEL SECOND-
GENERATION DRUGS FOR TUBERCULOSIS**

Rockville, Maryland (JUNE 25, 2001) -- Sequella, Inc. today announced it is receiving scientific support from the NCI/NIAID Inter-Institute Program for the Development of AIDS-related Therapeutics to expedite the development of high potential, second-generation anti-tuberculosis drugs.

Under a Cooperative Research and Development Agreement (CRADA) between Sequella and NIAID more than 100,000 second generation ethambutol molecules were synthesized and screened in the NIAID intramural laboratory of Dr. Clifton E. Barry, III. Three of the most promising compounds from *in vitro* screening were tested in animals at NIAID, and exhibited greatly improved activity over ethambutol. These compounds appear to be active against ethambutol-resistant forms of TB, and may display reduced toxicity compared to the existing drug. Recently, the Sequella scientists began a more directed second round of new compound synthesis.

To further accelerate the progress of this exciting project, the NCI/NIAID Inter-Institute Program has agreed to provide analytical characterization of 500-600 new unique compounds from the directed synthesis, as well as *in vivo* testing of five candidate lead compounds. The first planning meeting for this endeavor occurred on 20 June 2001. The support that will be provided under the Program will facilitate the movement of these anti-TB drugs into preclinical development.

“Sequella is pleased to be a recipient of the scientific support being provided by the NCI/NIAID Inter-Institute Program. There is an overwhelming need for new TB drugs, and Sequella is strongly committed to fight this global health crisis,” said Leo Einck, Ph.D., President of Sequella, Inc.

The causative agent of TB infects one-third of the world’s population and is poised to cause 70 million deaths in the next two decades if new therapeutics, vaccines, and diagnostics are not introduced to fight this deadly disease.

Sequella, Inc., www.sequella.com, is a development stage biotechnology company designed to facilitate the translation of concepts that exist at the lab bench into commercial therapeutics, vaccines, and diagnostics that can alleviate the global burden of infectious disease. The company, headquartered in Rockville, MD, is focusing its initial research efforts on therapeutics, diagnostics and vaccines to address the growing tuberculosis (TB) problem worldwide.

Some of the matters discussed in this press release are forward-looking, and are therefore subject to risks and uncertainties that could cause actual results to differ materially from those stated or implied in this report. These risks and uncertainties include but are not limited to those relating to new product development, uncertainties of the results of future clinical trials, and availability of financing and other sources of capital, as well as any risks discussed in Sequella’s Business Plan and Private Placement documents.

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