



October 22, 2012

LabCorp Enters Into License Agreement with Sequella for use of B-SMART™ Technology to develop Rapid Tuberculosis Antimicrobial Susceptibility Test

Rockville, Md. — Sequella Inc., a clinical-stage pharmaceutical company developing novel antibiotics to treat life-threatening infectious diseases, licensed its B-SMART™ technology to Laboratory Corporation of America® Holdings (LabCorp) (NYSE: LH) to allow LabCorp to develop a new laboratory-based antibiotic susceptibility assay for *Mycobacterium tuberculosis* and to commercially use the assay in the United States. The assays that LabCorp will develop using B-SMART™ technology will combine nucleic acid testing with phage-based technology to accurately and quickly identify any resistance of *M. tuberculosis* clinical isolates to antitubercular antibiotics, regardless of whether the resistance genotype is known. Financial terms of the agreement were not disclosed. Sequella retains all rights to commercialize B-SMART™ technology worldwide for indications other than tuberculosis, and for territories other than the United States for tuberculosis.

Nucleic acid-based diagnostics are well established in laboratory medicine, and many are used to screen for infectious diseases, resulting in a \$1.1 billion industry in the United States. The B-SMART™ technology is compatible with any nucleic acid detection system, can be used to develop tests that detect resistance to any drug, and can provide results in hours.

“We are delighted to sign the first partnership for our B-SMART™ technology with LabCorp, an industry leader in central laboratory testing in the United States,” commented Dr. Carol A. Nacy, CEO of Sequella. “We look forward to a successful collaboration and a timely introduction by LabCorp of a new assay that can facilitate appropriate drug selection by physicians treating tuberculosis in this country.”

About B-SMART™

B-SMART™ technology enables nucleic acid-based systems to measure bacterial viability and drug resistance. By combining the accuracy of functional drug susceptibility assays with the speed and sensitivity of molecular diagnostics, the assays that LabCorp will develop using B-SMART™ technology can accurately and simultaneously report microbial identification and drug susceptibility in a matter of hours or days, depending upon the bacterial species. B-SMART™ is the first rapid nucleic acid-based technology that can detect drug resistance without any prior knowledge of the genes or mutations that confer drug resistance.

About Sequella

Sequella is a clinical stage pharmaceutical company focused on identifying, developing, and commercializing novel antibiotics to treat infectious diseases, particularly those for whom drug resistance is a growing problem. The company leverages its global influence, R&D platforms, and infectious disease expertise to proactively address emerging health threats. Through focused execution, clear commercialization pathways, and strategic partnerships, Sequella intends to commercialize a broad product portfolio designed to treat global health threats with significant market opportunity.

Forward-Looking Statement

This press release contains forward-looking statements that are subject to risks and uncertainties, and includes statements that are not historical facts. 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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