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PRESS RELEASE

MARCADIA BIOTECH COMPLETES \$15 MILLION SERIES A FINANCING

INDIANAPOLIS – May 15, 2007 – Marcadia Biotech, a privately held drug development company focused on developing novel biopharmaceutical therapies for diabetes and obesity, announced today the completion of a \$15 million Series A venture financing. Frazier Healthcare Ventures and founding investor 5AM Ventures co-led this financing round. Joining them in this financing was founding investor Twilight Venture Partners. In connection with this financing, Patrick Heron, general partner of Frazier Healthcare Ventures, joined Marcadia Biotech’s board of directors.

Marcadia Biotech announced in November 2006 that it had signed a licensing agreement that gave it the rights to develop and market certain drug candidates in the therapeutic area of metabolic diseases. The license agreement was with Indiana University Research and Technology Corporation (IURTC) and the company signed a separate sponsored research agreement with Indiana University (IU). Marcadia Biotech’s founders and senior management are comprised of former senior executives from Indianapolis-based Eli Lilly and Company and Guidant Corporation.

“This funding will allow us to significantly advance our discovery and development efforts,” said Fritz French, CEO. “This includes the company’s first compound in development, a glucagon analog that will be supplied in an injector pen, making it ready for quick use in emergency treatment of hypoglycemia.”

“We are very excited to be investors in Marcadia Biotech,” said Patrick Heron of Frazier Healthcare Ventures. “We think the company has great potential because of its combination of unique peptide technology, a world-class therapeutics team out of Lilly and Guidant, and the very large diabetes and obesity markets which have significant unmet clinical needs. I am personally looking forward to working closely with the management team as a new member of the company’s board of directors.”

“Since our seed investment in Marcadia Biotech a year ago, we’ve seen the company make steady progress and are enthusiastic about its potential,” said Carin Rollins of 5AM Ventures. “This funding is a very important milestone for the company that will enable them to accelerate work on multiple fronts.”

About Marcadia Biotech

Marcadia Biotech is a biopharmaceutical company that is focused on developing therapeutic products that will greatly improve the daily life of people with diabetes and obesity. Utilizing proprietary peptide chemistry, the company has a portfolio of compounds in its discovery and development pipeline. The company has exclusive rights to develop and market certain drug candidates in the therapeutic area of metabolic diseases under a license agreement with IURTC and

sponsors ongoing research at IU. The company's founders and senior management are comprised of former executives from Indianapolis-based Eli Lilly and Company and Guidant Corporation. Based in Carmel, Indiana, Marcadia Biotech was a recipient of a \$2 million 21st Century Research and Technology Award from the Indiana Economic Development Corporation. For more information about the company, visit www.marcadiabiotech.com.

About Frazier Healthcare

Founded in 1991 and with more than \$1.2 billion of capital under management, Frazier Healthcare is one of the nation's leading providers of venture capital and growth equity to emerging healthcare companies. Having invested in more than 120 emerging healthcare companies, Frazier Healthcare is well known for its depth of experience and the technical expertise of its investment team. This experience encompasses product development and launch, clinical trial implementation and design, industry operating experience, academic research and clinical practice. Partnering with Frazier Healthcare provides access to capital and an unparalleled breadth of relevant healthcare industry experience. For more information on Frazier Healthcare Ventures, visit www.frazierhealthcare.com

About 5AM Ventures

Founded in 2002, 5AM Ventures makes seed and early-stage investments in next-generation life science companies. As successful former company leaders and established venture capitalists, the 5AM Team takes a hands-on approach to company building. The 5AM portfolio, built on advanced life science technologies, is diversified among innovative platforms, spinouts from established biotechnology and pharmaceutical companies, and companies developing near-term products. For more information on 5AM Ventures, please visit www.5amventures.com.

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