



PRESS RELEASE

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INDIANA UNIVERSITY AND MARCADIA BIOTECH COLLABORATE TO DEVELOP PROMISING TREATMENTS FOR METABOLIC DISEASES

INDIANAPOLIS – November 6, 2006 – Marcadia Biotech, today announced it has signed a licensing agreement that will give it the rights to develop and market drug candidates in the therapeutic area of metabolic diseases. The license agreement is with Indiana University Research and Technology Corp. (IURTC) and the company signed a separate sponsored research agreement with IU Bloomington.

In signing the agreement with IURTC, the new emerging growth company obtains the rights to develop and market new technologies in target areas developed by the DiMarchi's Laboratory at IU Bloomington, and provides ongoing funding of his research. The laboratory, led by Richard DiMarchi, Ph.D, chair and professor of IU Bloomington department of chemistry, focuses its research on the discovery and development of synthetic peptide-based drugs.

Marcadia was a recent recipient of a \$2 million 21st Century Research and Technology Award from the Indiana Economic Development Corporation. The award will be used to fund development of the company's first product, a glucagon analog that will be supplied in an injector pen, making it ready for quick use in emergency treatment of hypoglycemia.

"This licensing agreement and related sponsored research agreement form the foundation of our efforts to develop novel treatments for metabolic diseases such as diabetes and obesity," said Fritz French, CEO. "This unique portfolio of technology and intellectual property, together with the experienced management and scientific advisory teams we have assembled, should position us for future leadership in this area."

"We are very pleased to have formed this collaborative relationship with Marcadia Biotech," said Jack Pincus, Vice President for Technology Transfer, Indiana University Research and Technology Center. "Our aspirations are very high for this exciting technology, particularly now that the Marcadia team will be driving its development."

The company's founders and senior management are comprised of former executives from Indianapolis-based Eli Lilly and Company, Guidant Corporation and Twilight Venture Partners. The executive management team of Marcadia includes: Fritz French, Chief Executive Officer; Jas Gidda, Ph.D., Vice President, Research & Development; Kent Hawryluk, Vice President, Business Development and Finance, and Louis Vignati, M.D., Vice President, Medical. The company's board of directors, in addition to French, DiMarchi and Hawryluk, includes Gus Watanabe, MD (chairman) and Carin Rollins (Principal, 5AM Ventures).

About Diabetes

Diabetes is a disease in which blood sugar rises uncontrollably from lack of, or resistance to, insulin, a hormone normally produced in the pancreas. In type I diabetes, the pancreas is unable to produce insulin, and type 2 diabetes is linked to obesity and insulin resistance. Diabetes is a growing health concern. Approximately 20.8 million children and adults in the United States today, or 7% of the population, have diabetes; however, only two-thirds of those have been diagnosed according to the



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American Diabetes Association. Hypoglycemia, or very low blood sugar, is a life threatening risk that affects people with diabetes who are on insulin therapy.

About Marcadia Biotech

Marcadia Biotech, previously known as PhySci Pharmaceuticals, is a biopharmaceutical company dedicated to significantly improving the disease management of patients who suffer from diabetes and obesity. It will accomplish this by developing a portfolio of novel therapeutics using proprietary peptide chemistry. Marcadia Biotech has received funding from 5AM Ventures and Twilight Venture Partners and was a recipient of a \$2 million 21st Century Research and Technology Award from the Indiana Economic Development Corporation. The company is based in Carmel, Indiana.

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