



PRESS RELEASE

Contact:

Kerrie Brady, Chief Operations Officer
Arcion Therapeutics, Inc.
Phone: (301) 325-3718
kbrady@arciontherapeutics.com

ARCION THERAPEUTICS RAISES \$8.8 MILLION "A" ROUND

Start-up's Breakthrough Work with Topical Clonidine Gel Has Potential to Improve Treatment for Neuropathic Pain

BALTIMORE, MD - January 9, 2008 - Arcion Therapeutics, a venture backed clinical biotechnology company that develops pain therapies, announced it has raised \$8.8 million in a Series A round of financing, led by CMEA Ventures and InterWest Partners. The funding will help the company continue its breakthrough work with ARC-4558 (topical clonidine gel), a treatment for alleviating moderate and severe pain associated with diabetic neuropathy.

ARC-4558 offers an alternative to current systemic treatments for neuropathic pain, which often induce serious side effects. The company is also evaluating other topical treatments in addition to ARC-4558, to further its goal of providing pain relief with a favorable risk to benefit ratio.

"We believe that Arcion's team will be able to harness the benefits of topical clonidine gel and deliver pain relief, with virtually no adverse effects," explained David J. Collier, M.D., Managing Director, CMEA Ventures. "Arcion will create significant value by conducting a late-stage clinical trial that we expect will demonstrate safety and efficacy. Other therapies have major disadvantages and in many cases do not work at all. Arcion addresses, therefore, an unmet need, and market opportunity of well over a billion dollars."

Arcion is led by Chief Executive Officer James Campbell, M.D., founder of the American Pain Foundation and executive in residence (EIR), at InterWest Partners, whose background is characterized by a distinguished record of accomplishment in academic medicine and neuroscience research at Johns Hopkins. Dr. Campbell works alongside Chief Operations Officer Kerrie Brady, M.S., M.B.A., herself an experienced international biopharmaceutical executive with a successful 25 year track record in working with both entrepreneurial ventures and established companies. The company's Board of Directors include David Collier, M.D. from CMEA, Arnold Oronsky, Ph.D. from InterWest Partners, and Cynthia McCormick, M.D. in addition to Dr. Campbell.

"We are pleased at the positive response we've gotten from the investment community in regards to Arcion," said CEO, James Campbell, M.D. "Their support validates our vision of offering pain relief to millions of patients, and doing this in a way that does not detract from quality of life."

About Arcion Therapeutics

Arcion Therapeutics Inc. is a clinical stage biotechnology company focused on the development of new, targeted treatments for severe pain. Arcion has a pipeline of products

being developed for the treatment of painful diabetic neuropathy, post-herpetic neuralgia and other forms of moderate and severe pain. The company is located in Baltimore, Maryland.

About CMEA Ventures

CMEA Ventures (www.cmeaventures.com) is a venture capital firm focused on life sciences, high technology, and energy and materials investments. The firm's portfolio companies typically have cutting edge, highly differentiated, and often multidisciplinary technology at their core, with founding teams of the highest caliber. CMEA's partners and associates have extensive science, engineering, and operational backgrounds that particularly suit CMEA's focus on technology and teams - an effective differentiator for entrepreneurs and venture investment partners who dare to change the world, one great company at a time. CMEA was founded in 1989 and maintains offices in San Francisco and Menlo Park.

About InterWest Partners

InterWest Partners (www.interwest.com), founded in 1979, is a leading diversified venture capital firm focused on building long-term relationships with entrepreneurs and portfolio companies. Currently investing its ninth fund, IW IX, a \$600 million fund, InterWest has more than \$2 billion of capital raised since inception. InterWest has 17 investing partners in Menlo Park.

-# # #-

Editors, note: All trademarks and registered trademarks are those of their respective companies.