



Inologic Achieves Second Milestone in its Award from the Cystic Fibrosis Foundation Therapeutics

Adds New Member to Scientific Advisory Board

SEATTLE, April 16, 2004—Inologic, Inc. today announced that it has achieved the second milestone in the development of INO-4995 for cystic fibrosis (CF). INO-4995, a compound that may improve the function of CF lung cells, is funded in part by a \$1.5 million award from Cystic Fibrosis Foundation Therapeutics, Inc. (CFFT), the nonprofit drug discovery and development affiliate of the Cystic Fibrosis Foundation. Inologic received the award from CFFT in February 2003 to assist in the advancement of INO-4995 through preclinical and early clinical development. The milestone included the demonstration of potency of INO-4995 in a CF mouse nasal potential difference (NPD) model. An undisclosed payment from CFFT was triggered by the successful accomplishment of this milestone.

INO-4995 has the potential to improve the treatment of CF by restoring chloride and sodium balance in lung tissue and consequently reducing the thick mucus buildup in the lungs of people with CF. This could reduce the number of infections people with CF experience and would therefore decrease the level of inflammation in the lungs.

Nasal potential difference (NPD) measurements are used to assess the electrical abnormalities in the nose associated with improper chloride and sodium balance. NPD was first demonstrated to be abnormally high in people with CF in 1981. In humans, the NPD technique is now established as an important diagnostic tool and more recently has been used to assess the effectiveness of new CF treatments.

In collaboration with Mitch Drumm, Ph.D., an associate professor in the Departments of Pediatrics and Genetics at Case Western Reserve University and a leading CF researcher, NPD measurements were significantly lowered in CF mice treated intranasally with INO-4995.

“The data indicates that we are seeing a corrective effect with very low doses of INO-4995. We are excited by these results and the potential of this compound for efficacy in the human NPD clinical trial. My lab is very pleased to have helped Inologic meet this important milestone and we look forward to publishing this data in the near future”, stated Dr. Drumm.

Inologic adds Dr. Craig Gerard to Scientific Advisory Board

Dr. Craig Gerard, professor of Pediatrics at Harvard Medical School and chief of the Division of Respiratory Diseases, Childrens Hospital of Boston, has joined Inologic’s Scientific Advisory Board. In addition to his clinical role in the treatment of CF patients, Dr. Gerard’s research interests are focused on the molecular mechanisms by which leukocytes traffic in host defense and inflammatory responses. Particular focus is concentrated on the family of G protein coupled receptors that serve to direct migration of leukocytes in both the basal and inflamed state. Implications for the development of therapeutics involves many disease states, including CF, asthma and AIDs.



"I am delighted to be joining Inologic's Scientific Advisory Board. The potential benefit of inositol signaling molecule therapeutics is wide-ranging and the results of Inologic's preclinical tests in CF are very exciting," commented Dr. Gerard.

About CF

CF is a genetic disease caused by the dysfunction of the cystic fibrosis transmembrane regulator protein (CFTR). This protein acts as an ion-specific channel and regulator that moves salt and water on the surface of the airway cells. Defective CFTR function in people with CF leads to poorly hydrated, thick, mucous secretions in the airways and severely impaired mucociliary clearance. There are approximately 30,000 people with CF in the United States and 75,000 in the eight major international pharmaceutical markets. According to the Cystic Fibrosis Foundation, the median age of survival for people with CF is in the early 30s.

About Inologic

Inologic, Inc. is the leading biopharmaceutical company in the discovery and development of a new class of therapeutics based on the study of inositol signaling molecules and their role in regulating key cell functions. Inologic believes its proprietary compounds can affect the signaling pathways that manage the cell functions linked to many serious diseases, including inflammation, cancer, diabetes, central nervous system disorders, cystic fibrosis, and diarrhea.

For more information on Inologic, please visit <http://www.inologic.com> or contact Ed Field, president and chief executive officer at 206.448.9226.