



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

Engages The CF Foundation's Therapeutics Development Network to Plan Clinical Trial

SEATTLE, December 2, 2003—Inologic, Inc. today announced that it has achieved the first 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 (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 completion of acute toxicology studies as well as receipt of Orphan Drug Designation from the Food and Drug Administration. 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.

"Introducing proper ion transport in the lung cells of people with CF has the potential to profoundly impact their health and well being," said Robert J. Beall, president and CEO of the CF Foundation and CFFT. "Current therapies for CF treat only the symptoms of CF; we hope that INO-4995 will become a therapy that helps to prevent those symptoms from occurring. We are eager to move forward with INO-4995 and will continue to work closely with Inologic to bring INO-4995 into clinical trials."

Inologic contracts with CF Therapeutics Development Network

Inologic also announced that it has contracted with the CF Foundation's Therapeutics Development Network (TDN) to advance INO-4995 into clinical trials. Inologic plans to use the TDN's vast experience in CF clinical development to design the pre-clinical studies required by the FDA and to help design its early clinical studies.

The CF Foundation TDN, led by the TDN Coordinating Center in Seattle, is comprised of 18 CF care centers selected from the CF Foundation's existing network of more than 115 accredited CF care centers. The TDN is designed to expedite the early phases of clinical trials that evaluate safety and dosing regimens for new drugs for individuals with CF.

"The TDN is excited to be moving forward with Inologic on the pre-clinical and clinical development of INO-4995. This innovative compound, with a unique ability to modulate multiple ion channels, has made significant progress in the past year. Our team, in collaboration with Inologic, is looking forward to advancing this compound into early clinical trials. It's mode of action could offer clinical benefit to our CF patients," commented Bonnie Ramsey, M.D., Associate Director, Pediatric Unit at Children's Hospital in Seattle and Director of the CF Foundation TDN.



About Cystic Fibrosis

Cystic Fibrosis 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 CF patients 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.