



Inologic Awarded 2-Year Small Business Development Grant from the National Institutes of Health

SEATTLE, Washington, August 22, 2005 -- Inologic, Inc. announced today that it was awarded a phase II Small Business Innovation Research (SBIR) grant from the National Institutes of Health (NIH) through the National Heart, Lung, and Blood Institute.

Inologic is researching an entirely new class of drugs for the treatment of cystic fibrosis (CF). Inologic's compounds are expected to treat and remediate the underlying genetic defect involved in CF and restore normal lung function by regulating the activity of alternate ion channels. The \$790,000 2-year grant was awarded to move forward the late-stage preclinical development aspects of the program as the drug nears clinical trials, currently scheduled to start in 2006. This is the fourth SBIR grant the company has received. These grants have totaled about \$2 million in funding.

"This is a huge milestone for us and will help us complete the final development portions of the program. We are pleased that the continuing support of the NIH is allowing this very promising and innovative therapeutic for Cystic Fibrosis to move forward," stated Dr. Beatrice Langton-Webster, Chief Operating Officer of Inologic.

About Inologic

Inologic, Inc. is the leading biopharmaceutical company in the discovery and development of a new class of therapeutic drugs based on inositol signaling molecules and their role in regulating key cell functions. Inologic believes its proprietary compounds can affect the key signaling pathways linked to many serious diseases, including inflammation, cancer, diarrhea, and pulmonary disorders such as cystic fibrosis, and bronchitis. Inologic has a very rapid and practical approach to discovering new drug leads based on utilizing biologically relevant molecules that the cell itself uses as target scaffolds to design therapeutically effective drugs. Inologic will initially focus its development efforts on the advancement of compounds to treat cystic fibrosis and cancer.

For more information on Inologic, please visit <http://www.inologic.com> or contact Dr. Beatrice Langton-Webster, Chief Operating Officer, Inologic at (206) 448-9226.