

FOR IMMEDIATE RELEASE:

SCIENTISTS REPORT ON A NOVEL THERAPEUTIC AGENT TO PREVENT ACUTE RENAL FAILURE AT THE AMERICAN SOCIETY OF NEPHROLOGY'S ANNUAL MEETING

Philadelphia, Pennsylvania, November 10, 2008 – Exponential Biotherapies, Inc.'s renoprotective compound EA-230 continues to show promise in preventing acute renal failure in a variety of animal studies. As reported by senior author Faikah Güler, M.D, professor of medicine at Hannover Medical School (“HMS”), Hannover, Germany and Director of the Department of Transplantation and Ischemia/Reperfusion Injury of Phenos GmbH, (a wholly owned contract research organization of HMS) and Hermann Haller, M.D., Director of Nephrology, and Chairman of the Department of Internal Medicine of HMS, at the American Society of Nephrology's (“ASN”) Annual Meeting in Philadelphia (November 6-8, 2008), EA-230 significantly improved survival of mice subjected to renal ischemia and reperfusion (“I/R”).

Increasing doses of EA-230 were administered to mice that underwent bilateral renal pedicle clamping for 35 minutes, a procedure designed to stop the flow of blood to the kidneys. Within 24 hours post ischemia, the untreated control mice began to show steep rises in creatinine and blood urea nitrogen (“BUN”), signifying impaired renal function. In the experimentally treated animals, EA-230 was administered at days 1, 2, 3, and 4. By day 4 only 10% of those control mice survived. In contrast, 60% of animals administered doses of EA-230 between 30 and 50 mg/kg were still alive at 28 days. In the surviving animals, renal function, as measured by creatinine and BUN, returned to normal levels as early as two weeks after ischemia.

While no differences were detected in several commonly tested markers of biological activity (caspase-3, i-NOS, and VEGF) among treated and untreated animals, there was an increase in the Ki-67 marker in the EA-230 treated animals, a sign of tubular epithelial cell proliferation. These experiments demonstrated EA-230's ability to improve renal function, induce tissue repair, and ultimately protect animals from death after I/R. According to Professor Haller, “the significance of these findings is in the ability of EA-230 to reduce I/R injury even when administered 24 hours after the initial ischemia”.

About Exponential Biotherapies, Inc.

Exponential Biotherapies, Inc (“EBI”) is a Virginia based drug discovery and development company with a growing pipeline of novel small molecule drugs to treat a wide range of severe inflammatory disorders such as septic shock, renal failure, radiation sickness and avian influenza. These compounds represent a new class of immune regulating therapeutic agents. The Company's first candidate drug, EA-230, is about to enter Phase II clinical trials following a successful Phase I in which the drug was safely tolerated in both single and multi-dose studies as well as the LPS proof of concept, Phase I Expansion.

The Company has licensed a family of chemically synthesized biomolecules (the “Compounds”) that regulate the immune response. These biomolecules can either increase or decrease the

activity of the immune system by affecting the activity of one or more of the components of the immune cascade.

About Phenos GmbH

PHENOS founded in 2001, is a spin off contract research organization/biotech company from Hannover Medical School, Germany. PHENOS offers services and research expertise to pharmaceutical companies and academia.

About Hannover Medical School

The Hannover Medical School, founded in 1965, is one of the world's leading university medical centers. The campus covers an area larger than 50 football fields and includes the Central Clinic surrounded by the Clinic for Paediatrics, the Clinic for Dentistry and Orthodontics, research laboratories, lecture theatres, the library, residences and recreational facilities.

Their research and patient care set national and international standards; and their outstanding success in interdisciplinary collaboration both within the HMS and with extramural scientific institutions is reflected in the fact that the HMS is the German medical university with the greatest volume of grant funding.

Forward-looking statements

This press release contains forward looking statements, including statements related to our clinical trials and product candidates. These statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be materially different from any future results, performances or achievements expressed or implied by the forward-looking statements. These statements reflect our current views with respect to future events and are based on assumptions and subject to risks and uncertainties. Actual results and the timing of events could differ materially from those anticipated in such forward-looking statements as a result of these or other risks and uncertainties, which include, without limitation, risks related to the progress, timing and results of clinical trials (including our ability to initiate and complete subsequent clinical trials involving EA-230 or any other product candidate); risks that subsequent clinical trials may show EA-230 is not safe and/or effective; issues relating to the intellectual property upon which our drug candidates are dependent; difficulties or delays in obtaining regulatory approval or clearance which are necessary or advisable in the conduct of future clinical trials or are necessary for the commercialization of EA-230 or any of our other product candidates; manufacturing issues relating to EA-230 or any other drug candidate; our ability to obtain financial resources necessary to support our clinical trials, other operations and financial commitments; competitive issues; and other regulatory considerations which affect the business prospects of EBI. Given these and other uncertainties, you should not place undue reliance on these forward-looking statements.

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