



NEWS

ONCOLYS BIOPHARMA AND TACERE THERAPEUTICS SIGN STRATEGIC ALLIANCE AND LICENSE AGREEMENT TO DEVELOP AND COMMERCIALIZE RNAi HEPATITIS C DRUG

Tokyo, Japan and San Jose, California, USA—March 12, 2008 — Oncolys BioPharma, Inc. (Tokyo, Japan) and Tacere Therapeutics, Inc. (San Jose, CA, USA) announced today that they have entered into a strategic alliance and license agreement to develop and commercialize throughout Asia, Tacere’s RNA interference (RNAi)-based Hepatitis C virus (HCV) compound, TT-033, code-named by Oncolys as OBP-701. This agreement resulted from the strategic alliance entered into by Tacere and Oncolys in June 2007, whereby Oncolys was granted an option to acquire the Asian rights for TT-033.

“We are very pleased to be taking our relationship with Oncolys to the next level. After partnering TT-033 with Pfizer outside of Asia in December 2007, this agreement gives global scope to the development of TT-033/OBP-701 as a first-in-class treatment option for HCV patients,” said Sara M. Hall, Chief Executive Officer of Tacere.

“We are extremely excited about solidifying this historic agreement with Tacere,” said Yasuo Urata, President and Chief Executive Officer of Oncolys. “We recognized the power of this new approach to treating HCV and are delighted to see that the pharmaceutical industry has validated our investment in Tacere and this drug. More than ever, we believe that TT-033/OBP-701 will enable us to offer new treatments for patients suffering from HCV.”

Under the terms of the agreement, Oncolys and Tacere will form a joint steering committee that will work with the Tacere and Pfizer steering committee to oversee preclinical research and development efforts for TT-033/OBP-701.

In addition to an up-front payment, Tacere will be eligible to receive milestone payments through successful achievement of development, approval, and commercialization milestones resulting in total potential payments to Tacere of up to \$60 million. Upon commercialization of TT-033/OBP-701, Tacere would be entitled to receive royalties on net sales by Oncolys. Further, if Oncolys sublicenses its rights under the strategic alliance to any major pharmaceutical company, the milestone payments and sales royalties Oncolys receives will be shared with Tacere at predetermined rates based upon the stage of development at which the milestones occur.

About TT-033

TT-033 is a novel therapeutic product containing three separate RNAi elements targeted against the Hepatitis C virus itself and entrapped in an AAV protein coat. AAV delivery

methods have demonstrated clinical safety, and preclinical studies with TT-033 have shown the ability to penetrate hepatocytes (the site of HCV replication) at high levels following a single intravenous administration. In preclinical animal studies, this “cocktail in one drug” monotherapy targeted and cleaved the Hepatitis C virus itself at three different sites simultaneously without toxicity.

About Oncolys BioPharma, Inc.

Oncolys BioPharma is a privately held biopharmaceutical company focused on the development of novel biologics for the treatment of cancer and infectious disease. The company’s lead product for the treatment of cancer, Telomelysin® (OBP-301), is based on replication-competent oncolytic virus, and is being tested in Phase-I clinical trial in the U.S. for various solid tumors. A novel cancer diagnostic product, Telomescan® (OBP-401), is at validation stage (feasibility studies) and is expected to be effective in detecting various types of cancer. The company also has a major program for infectious disease, FESTINAVIR(OBP-601), in late pre-clinical stage (Pre-IND) for HIV/AIDS therapy. FESTINAVIR is a novel NRTI with highly promising safety and resistance profiles. In addition, Oncolys through this agreement secured the Asian rights for OBP-701 (TT-033), a novel therapeutic product containing three separate RNAi elements entrapped in an AAV protein coat, for the Asian territory, targeting HCV. For additional information, please visit www.oncolys.com.

About Tacere Therapeutics, Inc.

Tacere is an innovative biotechnology company focused on developing therapeutics to treat serious infectious diseases using its proprietary knowledge in the development of RNAi therapeutics. Tacere is located in San Jose, California, USA and obtained its founding capital from Hokkaido Venture Capital of Sapporo, Japan. For additional information, please visit www.tacerebio.com.

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