

13therapeutics Receives \$3.0 Million Small Business Innovation Research Grant from National Institute of Health

Portland, OR, January 20, 2011— 13therapeutics, Inc. today announced that the company has received a new Small Business Innovation Research (SBIR) grant from the National Institutes of Health, for \$3.0 million. This adds to the six previous grants awarded to the company for various applications of its patented anti-inflammatory peptides, for a total in NIH funding to date of \$6.8 million.

This latest grant is a Phase II Competing Renewal Grant and is for advancing one of the company's anti-inflammatory therapeutics for treating Systemic Inflammation (Sepsis). Sepsis is a life-threatening medical condition that is characterized by a whole-body inflammatory state and the presence of a known or suspected infection. Sepsis is usually treated in the intensive care unit with intravenous fluids and antibiotics. The company has shown that one of its anti-inflammatory peptides treats sepsis by abating the cytokine storm that occurs early in the inflammatory response and, in pre-clinical *in vivo* testing, significantly improves survival rates.

"We are very pleased to gain this additional non-dilutive funding", said Tom Bruggere, Chairman and CEO. "This grant comes shortly after our successful Pre-Investigational New Drug meeting with the FDA for use of one of the company's therapeutics in treating the middle ear fluid retention and impaired hearing often associated with Otitis Media in children and adults. This grant is further evidence of the potential value of our therapeutics".

13therapeutics has an innovative platform for discovering and enhancing peptides, derived from naturally occurring pathogens (e.g., bacteria, viruses, fungi), which modulate the human immune response. This platform has produced a portfolio of peptides with demonstrated immune-regulatory activity and with varying mechanisms of action. These peptides have potential application for treatment of both acute and chronic inflammatory diseases. Many of the company's peptides are capable of multiple methods of delivery, have shown serum stability, and have other desired features of clinical therapeutics.

"With this new SBIR grant, 13therapeutics has received further peer-reviewed validation for its compounds for testing in Otitis Media, Meningitis, and Systemic Inflammation," said Dr. Steven Hefeneider, President and Chief Scientific Officer. "Our drug discovery platform has allowed us to discover over 20 unique peptides, some of which we are testing in pre-clinical models for other inflammatory diseases."

About 13therapeutics

13therapeutics is a research and drug development company identifying and characterizing novel anti-inflammatory peptide therapeutics for unmet medical needs with high commercial potential. Founded in 2008, the Portland, Oregon-based company is a spin-out from the Oregon Health and Science University (OHSU). The management team and research scientists of 13therapeutics are veterans of bioscience, research and technology.

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