

FOR IMMEDIATE RELEASE



STATegics, Inc. Announces Award from the Department of Defense to Advance Proprietary Small Molecule Mimetics of Erythropoietin for the Treatment of Traumatic Brain Injury

SUNNYVALE, CA, November 16, 2010 – STATegics, Inc. announced today that the Department of Defense has awarded the Company \$1.7 million to advance its proprietary small molecule mimetics of erythropoietin for the treatment of traumatic brain injury. Several recent publications on erythropoietin and STATegics' *in vitro* studies have validated erythropoietin mimetics as potential treatments for diseases of the central nervous system (CNS). The Applied Research and Technology Development Award (ARATDA) from the Defense Medical Research and Development Program (DMRDP) will fund STATegics' preclinical research on erythropoietin mimetic compounds over two years.

Juha Punnonen, M.D., Ph.D., Chief Executive Officer at STATegics, commented, "It is an honor to be a recipient of this award from the DMRDP. The Department of Defense has placed a high priority on advancing the state of medical science in innovative neurotherapeutics, and we are encouraged by the confidence placed in our program. We anticipate the funding to enable the selection of a development candidate for the treatment of traumatic brain injury, which may also have potential in several other neurological indications with significant unmet needs".

Traumatic brain injury remains a major public health problem in both civilian and military settings. It is the leading cause of death and disability in children and young adults globally, and it accounts for up to one-third of battle-related injuries in the military. STATegics is developing therapies to be delivered rapidly following the injury to reduce nerve damage and inflammation and to enhance neurological recovery and function. In addition to this recent award from the Department of Defense, STATegics' programs have been supported by grants from the National Institute of Neurological Disorders and Stroke (NINDS), Friedreich's Ataxia Research Alliance (FARA) and the U.S. Government's Qualifying Therapeutic Discovery Project (QTDP) program.

About STATegics, Inc.

STATegics, Inc. is a privately-held biopharmaceutical company in Sunnyvale, CA, committed to the discovery and development of orally available small molecule modulators of cytokine receptors. The company's lead programs are focused on small molecule mimetics of erythropoietin and thrombopoietin for the treatment of CNS diseases and thrombocytopenia, respectively. The lead indication for the erythropoietin mimetics is Friedreich's ataxia, an orphan disease with no treatments currently available. Preclinical studies performed by STATegics and its collaborators have indicated superior properties of the lead compounds when compared to alternative approaches. STATegics is also developing screening technologies for efficient and rapid identification of small molecules targeting allosteric sites of cytokine receptors. For more information on the company, visit www.stategics.com.

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