

FOR IMMEDIATE RELEASE



STATegics, Inc. Announces a New Grant from Friedreich's Ataxia Research Alliance

Menlo Park, CA, January 8, 2013 – STATegics, Inc. announced today that the Friedreich's Ataxia Research Alliance (FARA) has awarded the Company a new grant of \$158,959 to advance its proprietary erythropoietin receptor agonist compounds for the treatment of Friedreich's ataxia (FRDA), a rare inherited neurodegenerative disease with no approved therapies. The new grant program will expand from STATegic's previous FARA-funded work and will support the further characterization of STATegics' compounds in preclinical studies.

Jennifer Farmer, MS, CGC, Executive Director at FARA, commented, "We are excited to award a second research grant to STATegics. The data generated from their previous grant is encouraging and this additional funding builds on their excellent progress. FARA recognizes the importance of public-private partnership in getting compounds through discovery and pre-clinical development. FARA is grateful for STATegics' commitment to advancing new therapeutics for Friedreich's ataxia and we look forward to seeing these compounds advance through pre-clinical development to human studies.

"We have made significant progress in our program and are grateful for FARA's continued support. Our recent results have illustrated the potential of STATegics' compounds to protect neurons and organs from cellular damage and to increase frataxin protein levels both *in vitro* and *in vivo*. This new grant allows for more detailed characterization of the mechanisms associated with frataxin increase, which will support the preclinical advancement of STATegics' lead compounds and may also identify new targets for future drug development programs," stated Juha Punnonen, MD, PhD, Chief Executive Officer of STATegics.

About FRDA and small molecule erythropoietin receptor agonists

FRDA is an inherited neurodegenerative disease caused by a single gene defect resulting in reduced expression of the mitochondrial protein frataxin. The symptoms of FRDA typically start at the age of 5 to 15 and include progressive loss of strength and coordination, vision and hearing impairment, slurred speech, diabetes and enlargement of the heart with the potential of leading to a heart failure. Because reduced frataxin is the underlying cause of the disease, drug candidates that enhance frataxin expression are considered to have significant therapeutic potential.

STATegics' erythropoietin receptor agonists are small molecules designed to activate the tissue-protective erythropoietin receptor. The lead compounds have demonstrated promising effects in protecting neurons from various insults and increase frataxin protein levels in both normal and frataxin-deficient cells, without the erythropoietic activity of recombinant erythropoietin. In addition to increasing frataxin levels, STATegics' compounds offer several other potential advantages when compared to alternative approaches due to their small size, tissue-availability, cytoprotective activity and feasibility for oral dosing.

About The Friedreich's Ataxia Research Alliance (FARA)

FARA is a national, public, 501(c)(3), non-profit, tax-exempt organization dedicated to curing FRDA through research. FARA grants and activities provide support for basic and translational research, pharmaceutical/ biotech drug development, clinical trials, and scientific conferences. FARA's mission is to marshal and focus the resources and relationships needed to cure FRDA by raising funds for research, promoting public awareness, and aligning scientists, patients, clinicians, government agencies, pharmaceutical companies and other organizations dedicated to curing FRDA and related diseases. For more information, go to www.curefa.org.

About STATegics, Inc.

STATegics, Inc. is a privately-held biopharmaceutical company in Menlo Park, 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 agonists of erythropoietin and thrombopoietin receptors for the treatment of central nervous system diseases and thrombocytopenia, respectively. The lead indication for the erythropoietin receptor agonists is FRDA, 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. STATegics' programs have been supported by grants from the Department of Defense, FARA, National Institute of Neurological Disorders and Stroke and the U.S. Government's Qualifying Therapeutic Discovery Project program. For more information, visit www.stategics.com.

Contact: Juha Punnonen, CEO, STATegics, Inc.: juha.punnonen@stategics.com.