FOR IMMEDIATE RELEASE

STATegics, Inc. Announces a Grant from Friedreich's Ataxia Research Alliance to Support Its Program to Develop Small Molecule Mimetics of Erythropoietin for the Treatment of Friedreich's Ataxia

Menlo Park, CA, August 2, 2011 – STATegics, Inc. announced today that the Friedreich's Ataxia Research Alliance (FARA) has awarded the Company $152,690 to advance its proprietary small molecule erythropoietin mimetic compounds for the treatment of Friedreich's ataxia (FRDA), a rare inherited neurodegenerative disease with no approved therapies. The grant will support further testing and characterization of STATegics' compounds in preclinical models of FRDA *in vitro* and *in vivo*.

Jennifer Farmer, MS, CGC, Executive Director at FARA, commented, "This grant to STATegics illustrates FARA's commitment to the kind of public-private partnership we know we need in order to achieve treatments and a cure for Friedreich's ataxia. STATegics brings to this partnership its industrial capabilities and promising molecules for which the company has also secured other grant support. In addition, FARA provided STATegics with introductions to FRDA researchers worldwide who will partner with the company to perform further *in vivo* testing in animal models and provide Friedreich's patient blood samples for screening its molecules. FARA is grateful for STATegics' commitment to advancing new therapeutics for Friedreich's ataxia and we stand ready to assist the company with our clinical infrastructure if its molecules advance successfully to that point."

"We are excited by the support of FARA and look forward to advancing STATegics' compounds in Friedreich's ataxia. This new grant enables us to extend our preclinical studies and provides access to a global network of clinical and scientific experts in this orphan disease with an urgent need for safe and effective therapies," stated Juha Punnonen, MD, PhD, Chief Executive Officer of STATegics.

About Friedreich's ataxia and erythropoietin mimetics

FRDA is an inherited neurodegenerative disease caused by a single gene defect resulting in reduced expression of the frataxin protein. 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. Recombinant human erythropoietin (rhEPO) has demonstrated promising effects in increasing frataxin protein levels in both normal and frataxin-deficient cells in preclinical and clinical studies. STATegics' small molecule mimetics of EPO provide several potential advantages when compared to rhEPO due to their small size, tissue penetrance and feasibility for oral dosing. The studies to date demonstrate encouraging properties of STATegics' lead compounds for both neuroprotection and enhancement of frataxin protein levels.

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 mimetics of erythropoietin and thrombopoietin for the treatment of central nervous system diseases and thrombocytopenia, respectively. The lead indication for the erythropoietin mimetics 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, Friedreich's Ataxia Research Alliance, 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.