FOR IMMEDIATE RELEASE
July 29, 2008

Sequella Receives NIH Grant for B-SMART™ Program

Investment Furthers Drug-Resistant TB Detection

ROCKVILLE, MD - Sequella, Inc., a clinical-stage biopharmaceutical company focused on commercializing products to treat diseases of epidemic potential, today announced that it has received a $244,000 one-year grant from the National Institute of Allergy and Infectious Diseases (NIAID), a center at the National Institutes of Health (NIH). The grant will fund the Sequella Biological System for Molecular Antibiotic Resistance Testing (B-SMART™) research program to develop a novel phage-based nucleic acid amplification diagnostic assay for the rapid detection of drug-resistant tuberculosis (TB).

The core B-SMART™ technology uses bacteriophage (viruses that infect bacteria) to probe the metabolic capacity of small numbers of bacteria in a clinical sample exposed to one or more antimicrobials. The specific gene(s) responsible for pathogen resistance do not need to be known for the assay to identify antibiotic resistance: resistance is identified by a unique molecular sequence produced by the phage itself as it replicates. B-SMART™ is the first technology that marries the accuracy of functional drug susceptibility assays with the speed and sensitivity of molecular diagnostic technologies. For many slow-growing pathogens, B-SMART™ could potentially provide simultaneous reporting of microbial identification and drug susceptibility in a matter of hours, rather than days or weeks. B-SMART™ is intended to be fully automatable and amenable to multiplexing. This technology is expected to finally integrate molecular diagnostic technologies into every aspect of clinical microbial detection and evaluation, as well as create new tools for the treatment and management of infectious diseases.

Dr. Leo Einck, Chief Scientific Officer of Sequella, said, “Funding of this grant will allow Sequella to employ its vast TB expertise to further develop B-SMART™, a new tool that will allow clinicians to rapidly determine whether patients carry drug-resistant bacteria. B-SMART™ has the potential to dramatically reduce the time needed to identify *Mycobacterium tuberculosis* resistant to any drug, whether the resistance genes are known or not, and ensure that patients can be treated with the appropriate drug regimen.”

Global projections suggest that 60 to 90 million people will die of TB over the next three decades if there is not a dramatic shift in the current trend. Sequella has positioned itself, through B-SMART™ and its other TB products in development, to commercialize more effective diagnostics and treatments to alleviate the global burden of TB.

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About Sequella, Inc.
Sequella is a clinical stage biopharmaceutical company focused on commercializing improved treatments for diseases of epidemic potential. The company leverages its global influence, R&D platforms and infectious disease expertise to proactively address emerging health threats. Through focused execution, clear commercialization pathways, and strategic partnerships, Sequella intends to commercialize a broad product portfolio designed to treat global health threats with significant market opportunity. (www.sequella.com)

Forward-Looking Statement
This press release contains forward-looking statements that are subject to risks and uncertainties, and includes statements that are not historical facts. Actual results could differ significantly from results discussed. Sequella disclaims any intent or obligation to update forward-looking statements, except as required by law. Additionally, the project described above is supported by Award Number R43A1077167 from the National Institute of Allergy and Infectious Diseases. The content of this release does not necessarily represent the official views of the National Institute of Allergy and Infectious Diseases or the National Institutes of Health.

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