Sequella, Inc.
9610 Medical Center Drive
Rockville, MD 20850
Tele: 301-762-7776
www.sequella.com

NEWS RELEASE **September 20, 2006**

SEQUELLA PRESENTS AT MERRIMAN CURHAN FORD AND COMPANY INVESTOR SUMMIT

Hundreds of Institutional Investors Attended Three-Day "Investor Summit 2006"

ROCKVILLE, MD – Sequella, Inc., a clinical-stage biopharmaceutical company focused on commercializing improved treatment paradigms for diseases of epidemic potential today announced that Mr. Marty Zug, Corporate Vice President of Finance, presented at the third annual Merriman Curhan Ford & Company Investor Summit on September 20, 2006 at 1:20 pm. Sequella was one of 16 privately held companies to present at the Merriman Summit in San Francisco, California.

"The Merriman Summit provided a unique opportunity to demonstrate the value of Sequella's therapeutic and diagnostic clinical programs, pre-clinical pipeline and commercialization model to a broad range of investors," said Marty Zug, Sequella Corporate Vice President of Finance.

Sequella's lead drug candidate SQ109, a new, orally-active diamine antibiotic for the treatment of tuberculosis (TB) and other infectious diseases, was granted Investigational New Drug Status by the Food and Drug Administration earlier this month and is now entering Phase 1 clinical trials. The Phase 1 dose-escalation study will enroll up to 48 healthy normal volunteers to assess the safety and pharmacokinetics of SQ109. SQ109 could replace one or more of the current first-line anti-TB drugs, simplify therapy, and shorten the treatment regimen. With a mechanism of action distinct from other antibiotics used in TB therapy (including Isoniazid, Ethambutol and Ethionamide), SQ109 inhibits cell wall synthesis in a select group of microorganisms with excellent *in vitro* activity against both drug susceptible and drug resistant TB bacteria, including XDR-TB. SQ109 also enhances, both *in vitro* and *in vivo*, the activity of the anti-tubercular drugs Isoniazid and Rifampin, thereby shortening the time required by 25% to cure mice of experimental tuberculosis.

Sequella's lead diagnostic product candidate, the TB Patch, is currently undergoing international clinical studies for market approval. Phase II studies, performed at the University of Cape Town in South Africa, showed a 65% sensitivity and 96% specificity which is 3-times higher than the current method of detection, the tuberculin skin test. Sequella holds worldwide licensing rights for the TB patch, excluding Japan.

The company also recently received a Small Business Innovation Research (SBIR) grant from the National Institutes of Health through the National Institute of Allergy and Infectious Diseases to identify the best Translocase I inhibitor compounds for clinical development and complete the pharmacological characterization required to advance into IND-directed pre-clinical toxicology studies. The lead pre-clinical compounds from this series have demonstrated activity against *Mycobacterium tuberculosis* and certain bacteria including *Streptococcus pneumoniae*.

###

About Sequella, Inc.

Sequella, Inc.
9610 Medical Center Drive
Rockville, MD 20850
Tele: 301-762-7776
www.sequella.com

Sequella is a clinical-stage biopharmaceutical company focused on commercializing improved treatment paradigms for diseases of epidemic potential. The company leverages its global influence, infectious disease expertise, and diverse product portfolio to proactively address emerging health threats with significant market opportunity. For more information, please visit 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.

MEDIA CONTACT: Alicia Moran Phone: 703-739-2424 x110.