

**FOR IMMEDIATE RELEASE**

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**Sequella Receives American Recovery and Reinvestment  
Funding through the NIH**

***Grant Funds to Finalize Synthetic Manufacturing Process for Promising  
New TB Drug Candidate***

Rockville, Md. -- Sequella, Inc., a clinical-stage biopharmaceutical company focused on commercializing novel antibiotics to treat life-threatening infectious diseases, today announced that it received a \$694,000 grant supplement as part of the American Recovery and Reinvestment Act (ARRA) of 2009. The ARRA funds, issued through the National Institute of Allergy and Infectious Diseases (NIAID) of the National Institute of Health (NIH), will assist Sequella to complete the manufacture of its lead drug candidate, SQ109, and provide drug supplies to continue NIH grant-funded research on SQ109 mechanism of action.

SQ109 is a new small molecule drug that is currently under US IND for the treatment of tuberculosis and is completing its Phase I safety studies in humans. Single, oral doses of 5 to 300 mg SQ109 were safe and well-tolerated in normal, healthy adults in a phase 1A study. In collaboration with NIAID, the Phase 1B clinical study to evaluate safety and pharmacokinetics of SQ109 administered daily for 2 weeks began in May 2009.

“We are pleased to receive these ARRA funds,” said Dr. Carol Nacy, CEO of Sequella. “The ARRA funds will contribute to SQ109 manufacture by subcontractors in four different states impacted by the current economic downturn. We are extremely appreciative of continued support from the NIH and of the Federal Government for providing ARRA funding opportunities.”

This supplemental ARRA funding will be used to complete process development and finalize manufacture of SQ109 active pharmaceutical ingredient.

**About Sequella**

Sequella is a clinical stage biopharmaceutical company focused on commercializing improved treatments for infectious 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.

**About the NIH and NIAID**



The National Institutes of Health (NIH)—The Nation's Medical Research Agency—includes 27 Institutes and Centers and is a component of the U. S. Department of Health and Human Services. It is the primary federal agency for conducting and supporting basic, clinical and translational medical research, and it investigates the causes, treatments and cures for both common and rare diseases. For more information about NIH and its programs, visit <http://www.nih.gov>.

The National Institute of Allergy and Infectious Diseases (NIAID) conducts and supports research—at NIH, throughout the United States, and worldwide—to study the causes of infectious and immune-mediated diseases and to develop better means of preventing, diagnosing and treating these illnesses. News releases, fact sheets and other NIAID-related materials are available on the NIAID Web site at <http://www.niaid.nih.gov>. For comments from the NIAID regarding this grant, please contact 301-402-1663.

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