For Immediate Release
January 6, 2009

Sequella Lead Drug Compound SQ109 Selected for Phase 1B Clinical Trial Program

Rockville, MD -- Sequella, Inc., a clinical-stage biopharmaceutical company focused on diseases of epidemic potential, announced today that SQ109, its lead drug candidate for the treatment of tuberculosis (TB), was the first drug approved for evaluation in a newly awarded clinical program contract to Dynport Vaccine Company LLC and Quintiles Transnational. The contract, awarded by the National Institute of Allergy and Infectious Diseases (NIAID), National Institutes of Health (NIH), is part of NIAID's clinical resource infrastructure to accelerate Phase 1 studies of promising clinical stage drugs or vaccines that address emerging and re-emerging infectious tropical diseases and bioweapon pathogens. The Phase 1B clinical study of SQ109 should be initiated in Q1 2009.

SQ-109 is a new diamine antibiotic intended to replace one or more of the current first-line anti-TB drugs and simplify patient therapy. SQ109 was granted U.S. FDA Fast Track designation and FDA/EMEA Orphan Drug Designation in 2007. SQ109 shows activity against drug sensitive and multi-drug resistant (MDR and XDR) *Mycobacterium tuberculosis*, the causative agent of TB. The Phase 1B study will assess safety and pharmacokinetics of multiple doses of SQ109 in healthy subjects.

"This is absolutely the best of both worlds for Sequella," commented Dr. Carol Nacy, Sequella CEO. "We again successfully competed for support from our most valued funding partner, NIAID, while retaining the capacity to work with the same industry-leading contract research organization, Quintiles Transnational, that conducted our first-in-human Phase 1A trial for SQ109.

The trial will be conducted at the Overland Park Quintiles Transnational Phase 1 facility in Lenexa, Kansas.

About Sequella
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.

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.

This project has been funded in whole or in part with Federal (United States Government) funds from the National Institute of Allergy and Infectious Diseases (NIAID), Division of Microbiology and Infectious Diseases (DMID), under contract number HHSN272200800024C. Pursuant to section 507 of P.L. 104-208 and Section 508 of P.L. 105-78, 100% of the total of this project's costs are financed with Federal funds. The content of this publication does not necessarily reflect the views or policies of the United States Department of Health and Human Services, nor does mention of trade names, commercial products, or organizations imply endorsement by the U.S. Government.

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.

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