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NEWS RELEASE **January 30, 2007**

Sequella Receives U.S. Patent for Translocase Inhibitor Drug Compounds

ROCKVILLE, Md -- Sequella, Inc., a clinical-stage biopharmaceutical company focused on commercializing improved treatment paradigms for diseases of epidemic potential, announced the issuance of U.S. Patent No. 7,157,442. The '442 patent is the first in a series of applications covering composition, methods and uses of the Sequella Translocase I inhibitor (TL1) class of drug compounds. TL1 is being developed as a potential treatment for bacterial pneumonia (*Streptococcus pneumoniae*), or for prevention or treatment of bacterial infections and mycobacterial diseases, including tuberculosis (TB). Sequella licensed the TL1 portfolio from Sankyo, Ltd in November 2004, and retains exclusive worldwide commercialization rights for all infectious disease indications.

"This patent broadens the Sequella IP portfolio of next-generation drug candidates," said Dr. Carol Nacy, CEO of Sequella. "These therapeutics may set new gold standards in the treatment of life-threatening and potentially epidemic medical conditions, including XDR-TB. Combined with SQ109, which recently received FDA Fast Track designation, and SQ609, which is scheduled to enter IND-enabling toxicology studies in the near future, this new patent represents another major step forward in Sequella efforts to provide the world more effective treatments for infectious disease."

Research on the drug series at Sankyo and confirmed at Sequella demonstrated potent *in vitro* activity by specific inhibition of Translocase I, an enzyme required for bacterial cell wall synthesis, in certain gram positive bacteria and several different *Mycobacteria*. With the assistance of an SBIR grant awarded in 2006, Sequella is currently evaluating TL1 in IND-directed preclinical studies to measure *in vivo* efficacy of these inhibitors in animal models of TB.

"Our short-term goals are to identify the best inhibitor compounds for clinical development, and advance the compound(s) into human clinical testing," said Nacy.

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About Tuberculosis (TB)

TB is a contagious infectious disease caused by the bacterium *Mycobacterium tuberculosis*. TB bacteria can be inhaled into lungs and are able to avoid destruction by certain white blood cells. Without containment by immune cells, the bacteria can spread throughout the body, multiply, survive and remain dormant for years. TB is the leading cause of global deaths that result from a single-agent infectious disease. Nine million new cases of active TB disease are reported every year. The World Health Organization (WHO) estimates that one-third of the world's population is infected with TB.

About Sequella, Inc.

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

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threats with significant market opportunity. The company's lead drug candidate, SQ109, a new orally-active diamine antibiotic for the treatment of tuberculosis (TB) and other infectious diseases, is presently in Phase I clinical studies and has received the FDA Fast Track designation. The company's lead diagnostic product candidate, the TB Patch, is completing several international clinical trials in anticipation of worldwide product registration. 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.

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