



FOR IMMEDIATE RELEASE

Cutanea Announces Promising Phase II Results in Rosacea with Omiganan Plans to Move Forward with Phase III

Malvern, PA. October 17, 2007 – Cutanea Life Sciences, an emerging specialty pharmaceutical company focused on improving human health and appearance through the development and commercialization of treatments for diseased and aging skin conditions, today announced results from its completed Phase II clinical trial of Omiganan.

The trial compared Omiganan 2.5% and 1% topical gel to vehicle in subjects with papulopustular rosacea. Study results demonstrated that the formulation was safe and well-tolerated at all doses tested. Among the once-daily treatment arms, a dose-dependent response was observed in both lesion reductions and Treatment Success, as defined by Investigator Global Assessment (IGA) scores. After nine weeks of treatment, once-daily (QD) Omiganan 2.5% gel showed superior lesion count reductions and Treatment Success, compared to 1% Omiganan QD and vehicle. Omiganan provided greater improvements compared to vehicle among patients with a more severe condition at Baseline (more numerous inflammatory lesions). Lesion counts continued to drop at all evaluations over the duration of the study, indicating that further improvements may be expected with a duration of treatment exceeding nine weeks. Twice daily (BID) application of 2.5% Omiganan did not demonstrate substantial improvement in lesion reduction or the number of patients reaching Treatment Success compared to once daily application. Based on the results from this study, Cutanea has selected a once-daily dose of Omiganan 2.5% for further development for the treatment of papulopustular rosacea.

Dr. Guy Webster, Founding and Current President of the American Acne & Rosacea Society and Clinical Professor of Dermatology at Jefferson Medical College stated, “Topical Omiganan is a novel approach, actually the first in a new class of dermatologic drugs, for the treatment of rosacea. Initial results are promising and I look forward to a more precise estimation of the effectiveness of the drug in the larger Phase III program.”

The objective of this exploratory Phase II study was to find the optimal dose and regimen of Omiganan for further study as a treatment for rosacea. The trial enrolled 240 patients with papulopustular rosacea and Investigator Global Assessment (IGA) scores of grade 3 or 4 (moderate to severe disease). Patients were randomized into one of five treatment groups in a 2:2:2:1:1 ratio: Omiganan 1% QD, Omiganan 2.5% QD, Omiganan 2.5% twice-daily (BID), Vehicle QD, or Vehicle BID. During the total nine-week treatment period, safety and efficacy assessments were performed at weeks one, three, six, and nine.

The primary efficacy endpoint was mean percent reduction in the number of inflammatory lesions from Baseline to Week 9. Patients receiving once-daily Omiganan 2.5% showed a mean 31%



reduction in the number of inflammatory facial lesions compared to a 14% reduction in patients receiving once-daily vehicle. And, among rosacea patients with 18 or more lesions at Baseline, the mean reduction for once-daily Omiganan 2.5% was 40%, compared to an 11% lesion increase in the once-daily vehicle group.

Secondary endpoints included the absolute change from Baseline in the number of inflammatory lesions at Week nine and at each interim visit, the percent change in number of inflammatory lesions at interim visits, the absolute change from Baseline in IGA score and other signs and symptoms of rosacea at Week nine and each interim visit, and Treatment Success at Week nine and each interim visit.

Although a statistically significant difference between active and vehicle was not achieved for the primary endpoint, this study demonstrated that in both the intent-to-treat and the per protocol populations, Omiganan 2.5% QD was statistically significantly better than vehicle QD at Week nine in the absolute change of inflammatory lesions ($p=0.041$ for intent-to-treat, and $p=0.012$ for per protocol populations). While in this exploratory study this endpoint was identified as a secondary end point, FDA currently requires the absolute change (rather than percent change) in the number of inflammatory lesions as one of the co-primary endpoints, along with Treatment Success, for demonstrating efficacy in a Phase III trial in rosacea.

“Based on these encouraging results, we have selected once-daily Omiganan 2.5% for further study in rosacea, which is a critical step towards potential commercialization, either directly or in collaboration with a partner,” commented Robert J. Bitterman, President and CEO of Cutanea.

About Rosacea

Rosacea is a chronic dermatologic disorder with no current cure and a poorly understood etiology that afflicts an estimated 14 million Americans. Symptoms primarily manifest on the facial skin and include facial flushing, central facial inflammatory lesions, and facial erythema. According to surveys conducted by the National Rosacea Society (NRS), nearly 70% of rosacea patients said the disorder had lowered their self-confidence and self-esteem; 41% reported it had caused them to avoid public contact or cancel social engagements; and nearly 30% claimed to have missed work due to rosacea. Of these rosacea patients surveyed by the NRS that sought medical treatment, over 70 percent reported an improvement in their emotional and social well-being.

Typical onset of rosacea occurs between 30 and 50 years of age and is more prevalent in women than men. Clearing up the initial outbreak is only the beginning, as rosacea is characterized by periods of relapses and remissions. Relapse episodes can be spurred by sun exposure, stress, hot or cold weather, alcohol, spicy foods, exercise, and certain skin care products and medications.

Absent a cure for rosacea, treatment is aimed at alleviating the disorder’s symptoms. Topical or oral medications are generally prescribed for mild to moderate papulopustular Rosacea, while oral medications are prescribed for severe disease. Current oral antibiotic therapies may alleviate symptoms of rosacea, but may present an issue with undesirable side effects). While there are other topical products currently available on the market, there is an opportunity to improve the existing irritation profile for these treatments.



About Omiganan

Cutanea Life Sciences licensed the exclusive worldwide rights for dermatological uses to a novel, cationic, antimicrobial peptide, whose active component is omiganan pentahydrochloride from Migenix Inc., a British Columbia Corporation located in Vancouver, BC, Canada (TSX: MGI; OTC: MGIFF). Omiganan is in development as a topical treatment for papulopustular rosacea and may prevent the inflammatory cascade that is theorized to lead to the signs and symptoms of rosacea. Omiganan topical gel has been evaluated in early stage clinical trials at concentrations of 0.5% and 3.0%, and early and late stage trials at 1.0%. At each of these concentrations and in all trials conducted, omiganan was found to be safe, well tolerated and non-irritating with no evidence of systemic absorption. While cationic antimicrobial peptides, such as Omiganan, are well known for their antimicrobial properties, recent research has shown that they also may play a role in the inflammatory response. Omiganan, in *in vitro* assays, demonstrated a rapid bactericidal activity against microorganisms that colonize the skin and that may play a role in the pathogenesis of inflammatory lesions.

About Cutanea

Cutanea Life Sciences is an emerging specialty pharmaceutical company focused on improving human health and appearance through the development and commercialization of treatments for diseased and aging skin conditions. The Company strives to maximize value through flawless execution of strategically designed programs. Its core strategy is to in-license novel, patented, mid-stage treatment candidates for aggressive development as potential market-leading dermatologic treatments for commercialization or out-license. The Company focuses on leveraging each of its products to address a variety of indications that serve the collective interest of patients and medical professionals.

Cutanea Life Science's core competencies include a team of professionals with more than 90 years of combined experience in developing and commercializing healthcare products. In addition to the core team, Cutanea is advised by a broad network of technical and commercial experts, as well as practicing physicians and key medical opinion leaders.

Cutanea Life Sciences is a member of the family of bio/pharmaceutical companies founded in conjunction with Paramount BioSciences, LLC.

CAUTION CONCERNING FORWARD LOOKING STATEMENTS:

This press release contains certain forward-looking information that is intended to be covered by the safe harbor for "forward-looking statements" provided by the Private Securities Litigation Reform Act of 1995. Forward-looking statements are statements that are not historical facts. Words such as "expect(s)," "feel(s)," "believe(s)," "will," "may," "anticipate(s)" and similar expressions are intended to identify forward-looking statements. These statements include, but are not limited to, financial projections and estimates and their underlying assumptions; statements regarding plans, objectives and expectations with respect to future operations, products and services; and statements regarding future performance. Such statements are subject to certain risks and uncertainties, many of which are difficult to predict and generally beyond the control of Cutanea Life Sciences that could cause actual results to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. These



risks and uncertainties include: those generally associated with developmental stage biopharmaceutical companies; the progress or likelihood of success of our product research and development programs; the status of our preclinical and clinical development of potential drugs; the likelihood of success of our drug products in clinical trials and the regulatory approval process; our drug products' efficacy, abuse and tamper resistance, onset and duration of drug action, ability to provide protection from overdose, ability to reduce the development of tolerance, ability to improve symptomatology or otherwise improve patients' symptoms; the incidence of adverse events; the ability to develop, manufacture, launch and market our drug products; our projections for future revenues, profitability and ability to achieve certain sales targets; our estimates regarding our capital requirements and our needs for additional financing; the likelihood of obtaining favorable scheduling and labeling of our drug products; the likelihood of regulatory approval under Section 505(b)(2) and other applicable Sections under the Federal Food, Drug, and Cosmetic Act; our ability to develop safer and improved versions of widely-prescribed drugs using our technology; and our ability to obtain favorable patent claims. Readers are cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof. Cutanea Life Sciences does not undertake any obligation to republish revised forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

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