

DiObex and Camurus Sign License Agreement for the Development of DIO-901 in FluidCrystal(R) Extended Release Technology

Development program for prevention of insulin-induced hypoglycemia in diabetes

SAN FRANCISCO and LUND, Sweden, March 18 /PRNewswire/ -- DiObex and Camurus announced today that they have signed a license agreement to develop DIO-901(very low dose glucagon) in the Camurus drug delivery technology, FluidCrystal(R). The development candidate is an extended release formulation of low dose glucagon for the prevention of insulin-induced hypoglycemia in patients with diabetes.

"Intensive glycemic control is beneficial for patients with diabetes, but it increases their risk of hypoglycemia, which can lead to a spectrum of problems ranging from reduced quality of life to coma and death," said David Cory, DiObex CEO. "This license agreement and development program reflects our commitment to deliver an extended release form of low dose glucagon to the market for the prevention of insulin-induced hypoglycemia."

There is no product approved for the prevention of insulin-induced hypoglycemia in patients with diabetes. DiObex has successfully completed three Phase 1 proof-of-principle studies using very low dose glucagon infusions in type 1 diabetic patients. DIO-901 has received Fast Track status from the FDA for this program. The DIO-901 FluidCrystal(R) extended release formulation is scheduled to enter human clinical trials in the second half of 2008.

"We are very pleased to enter into this license agreement with DiObex and have great hope for the development of DIO-901. The extended release version of DIO-901 using our FluidCrystal(R) delivery technology has the potential to fulfill an important medical need in the treatment of diabetes," said Fredrik Tiberg, President and CEO of Camurus AB.

Terms of the agreement include an undisclosed signing fee, development milestones, future royalties on product sales and a share of any potential DiObex sublicensing revenues.

About DiObex

DiObex, Inc., is a privately held biotechnology company developing novel products for diabetes and metabolic diseases. DiObex has two product candidates in four mid-stage clinical development programs. DIO-901 (very low dose glucagon) is in development for the prevention of insulin-induced hypoglycemia in type 1 diabetes mellitus in an extended release subcutaneous formulation and in a convenient disposable subcutaneous delivery device. DIO-901 has received Fast Track status from the FDA. DIO-902 (levdextoconazole) is an oral, single enantiomer of ketoconazole that is a novel cortisol synthesis inhibitor in development for type 2 diabetes mellitus and diabetic nephropathy. Abnormalities in cortisol activity may play an important role in the development of metabolic syndrome, a constellation of conditions that place people at high risk for type 2 diabetes mellitus and cardiovascular disease.

For more information, visit <http://www.diobex.com>.

About Camurus AB

Camurus AB is a biotechnology company providing innovative, nanoscale drug-delivery systems for development of new and improved, high-value therapeutics. The company's FluidCrystal(R) gel and nanoparticle delivery technologies range from long-acting in-situ forming depots for small molecules and peptides to lipid nanocarriers designed for intravenous, oral and transdermal delivery. These are used in development programs with biotech and pharma companies worldwide. Camurus also develops its own drug products targeting improved performance, safety, and patient compliance of existing drug compounds and has currently three products in clinical development.

For more information visit: <http://www.camurus.com>.