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Peninsula Pharmaceuticals Completes Phase 1 Clinical Trial for PPI-0903 – A Novel Cephalosporin With *in-vitro* Activity Against Resistant Gram-positive Bacteria

ALAMEDA, Calif., October 7, 2004 – Peninsula Pharmaceuticals, Inc., a privately-held company advancing late-stage clinical candidates to treat infectious diseases, today announced that it has completed a Phase 1 clinical trial for PPI-0903, one of its product candidates. Peninsula is investigating PPI-0903 as a potential treatment for complicated skin and skin-structure infections, as well as community-acquired and hospital-acquired pneumonias.

“A preliminary assessment of the Phase 1 data demonstrates that PPI-0903 was well-tolerated,” said Matthew A. Wikler, M.D., FIDSA, Chief Medical Officer and Executive Vice President at Peninsula. “We are very pleased with the safety profile we have seen to date and plan to move forward with further studies of PPI-0903 in 2005.”

The first part of this trial was designed to evaluate the safety and tolerability of escalating single doses of intravenous PPI-0903 in healthy subjects. The second part of this trial evaluated escalating multiple doses of PPI-0903 for up to 14 days. The most common side effects seen in this trial were mild and transient and there were no serious side effects observed during the study. No volunteers withdrew from the trial.

“We are pleased by the performance of PPI-0903 in this Phase 1 study and are excited by its potential as a next-generation cephalosporin antibiotic,” commented Dennis Podlesak, President and Chief Executive Officer of Peninsula Pharmaceuticals. “These results validate the opportunities that lie ahead for Peninsula as we continue to advance multiple therapeutics, including our Phase 3 candidate doripenem, as potential treatments for serious infectious diseases.”

PPI-0903 is a next-generation cephalosporin antibiotic, which is the most frequently prescribed class of antibiotics in the world. However, unlike currently marketed cephalosporins, PPI-0903 has demonstrated *in vitro* potency against the most resistant

strains of Gram-positive bacteria, including methicillin-resistant *Staphylococcus aureus* (MRSA), penicillin-resistant *Streptococcus pneumoniae* (PRSP) and vancomycin-resistant *Staphylococcus aureus* (VRSA) – bacteria responsible for high rate mortality in the hospital setting. PPI-0903 has also demonstrated *in vitro* activity against many common Gram-negative bacteria, exemplifying its potential as a broad-spectrum antibiotic.

As part of its ongoing corporate strategy, in 2003 Peninsula established an exclusive license agreement with Takeda Chemical Industries, Ltd. to develop and commercialize PPI-0903 in all countries worldwide except Japan. Takeda will manufacture the product for worldwide distribution.

About Peninsula Pharmaceuticals, Inc.

Peninsula Pharmaceuticals, Inc., located in Alameda, California, is a biopharmaceutical company focused on developing and commercializing antibiotics to treat life-threatening infections. The company has assembled a highly qualified team of experts with extensive experience in the development and commercialization of anti-infective products, and intends to leverage this experience to expedite the clinical development of its product candidates. Peninsula is also developing doripenem for injection, a sterile, synthetic, broad-spectrum antibiotic and a new member of the carbapenem class of antibiotics. For additional company information, please visit Peninsula's website at www.peninsulapharm.com

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