



Novalar Raises \$30 Million in Series D Financing

San Diego, CA – November 1, 2007 – Novalar Pharmaceuticals, Inc., a specialty pharmaceutical company focused on developing and in-licensing novel oral healthcare solutions, announced today that it has closed a \$30 million Series D financing. The proceeds will be used to support the U.S. launch of NV-101, a first-in-class, local dental anesthetic reversal agent, and the development of other innovative dental pharmaceuticals in Novalar's pipeline.

The Series D financing was led by New Enterprise Associates (NEA). Previous investors, including Domain Associates, SR One and Montreux Equity Partners, also participated.

"Novalar possesses a strong management team, a compelling product portfolio and the potential to be a leader in the development and commercialization of dental pharmaceuticals," said Mike Raab, Partner at NEA. "The team's success in advancing NV-101 for local anesthetic reversal makes this an exciting time for the company and I look forward to working with the Novalar team to continue the momentum through product launch and beyond."

In connection with this financing, Mr. Raab and John Savarese, M.D., Managing Director at Montreux Equity Partners, have been appointed to the board. In addition, Novalar also announced that Bob More, Partner at Domain Associates, has recently been elected Chairman of the board.

"I am delighted to welcome Mike Raab and John Savarese to the board and I am confident that with the addition of NEA, we have the right group of investors to guide Novalar through the commercialization of NV-101 and to build value through the company's dental pipeline," stated Donna Janson, President and CEO of Novalar.

With the successful conclusion of this financing, the company is now well positioned to move forward with its commercialization plan for NV-101. Pivotal studies were completed in 2006 after a Special Protocol Assessment (SPA) was completed with the U.S. Food and Drug Administration (FDA). The New Drug Application (NDA) for the product was accepted for filing in June 2007 and, assuming approval by the FDA, the company anticipates launch of NV-101 in 2008.

In connection with the financing, Novalar was represented by Michael Sanders and Deborah Gunny of the Los Angeles office of Reed Smith LLP. The investors were represented by Alan Mendelson, Linda Lorennet and Sean Edgett of the Menlo Park office of Latham & Watkins LLP.

About NV-101

If approved by the FDA, NV-101 will be the only local dental anesthetic reversal agent that accelerates the return to normal sensation and function following restorative and periodontal maintenance procedures. The product has been tested in pediatric, adolescent and adult patients. Phentolamine mesylate (a vasodilator), the active ingredient in the investigational agent NV-101, has been approved and in use in specific medical indications at significantly higher doses for over 50 years.

About Novalar Pharmaceuticals, Inc.

San Diego-based Novalar Pharmaceuticals, Inc. is a privately-held dental specialty pharmaceutical company. The company's initial product offering, NV-101, is being evaluated as a local anesthetic reversal agent and was developed to rapidly reverse the lingering and debilitating lip and tongue numbness associated with local dental anesthesia. For more information, visit www.novalarpharm.com.

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