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Verus Pharmaceuticals Announces U.S. Launch of Twinject for Anaphylaxis

First Advancement in Self-Administered Treatment Options Since 1980s

First and Only Dual-Dose Product for Anaphylaxis

SAN DIEGO – August 16, 2005 – Verus Pharmaceuticals, Inc., a pediatric-oriented company dedicated to identifying, developing and delivering solutions to address the unmet medical needs of children and those who care for them, today announced the U.S. launch of Twinject™, a novel epinephrine auto-injector indicated for the emergency treatment of severe allergic reactions (anaphylaxis). Twinject is the first and only product approved by the U.S. Food and Drug Administration that contains two doses of epinephrine in a single device. Twinject is available in the following configurations: Twinject 0.3 mg, Twinject 0.15 mg, Twinject 0.3 mg Two-Pack, and Twinject 0.15 mg Two-Pack; each Two-Pack configuration contains two devices for self-administration and a demonstrator for patient training purposes.

“There are significant unmet medical needs for those individuals at risk for anaphylaxis, a life-threatening condition,” said Robert W. Keith, President and Chief Operating Officer of Verus. “The dual-dose capability of Twinject is an important feature, as published studies have demonstrated that more than one dose of epinephrine may be required in up to 36 percent of the episodes to properly address the allergic reaction, with the second dose often needed within 5-10 minutes after the first dose. As such, we are excited about the launch and are committed to working closely with patients, caregivers, and advocacy groups to provide updated educational materials and sufficient training devices for all of those at risk.”

“Many patients experience anaphylactic episodes requiring more than one dose of epinephrine to effectively reverse their symptoms,” said Myron J. Zitt, M.D., President of the American College of Allergy, Asthma & Immunology. “From a physician’s perspective, the dual-dose capability provides a new option for enhancing a patient’s peace-of-mind.”

“At the present, given that there is no cure for food allergies, education is the key to preventing and managing a severe allergic reaction,” said Anne Muñoz-Furlong, Founder and Chief Executive Officer of the Food Allergy & Anaphylaxis Network (FAAN). “One of our objectives is to educate patients on the need to be fully prepared to manage

their next anaphylactic episode, including the need to carry epinephrine at all times. With Twinject available, patients now have a new option to achieve that objective.”

About Anaphylaxis

Anaphylaxis is a severe, life-threatening systemic allergic reaction triggered by exposure to one or more various antigens, including foods, insect stings, drugs, and latex products. Up to 43 million people in the U.S. alone are at risk for anaphylactic episodes, and underlying incidence rates are expected to continue increasing in future years. Up to eight percent of children have food allergies, with allergies to peanuts and tree nuts among children having doubled in the past five years. The timing, location, pattern (including onset, severity and length) and specific treatment requirements for each future anaphylactic episode cannot be predicted in advance.

According to IMS Health, the U.S. self-administered treatment market was \$125 million in 2004, and has grown at an average annual compounded rate of 25 percent per year for the last five years. More information about Twinject is available on the company’s Twinject website at www.twinject.com.

More information about food allergies and anaphylaxis is available on FAAN’s website at www.foodallergy.org.

About Verus

Verus Pharmaceuticals is dedicated to improving the lives of children and those who care for them. Verus is building a portfolio of products for the unmet medical needs of children through acquisitions and alliances, with an initial focus on the treatment of asthma, allergies, and related diseases and conditions. Verus is differentiated by its pediatric orientation and its strong financial position and experienced management team, which allows the company to capitalize on an extensive network to build its product portfolio and pursue complementary transactions. The company’s rigorous, disciplined approach to strategic decision-making and core competencies in development and commercialization is expected to provide significant value to its partners. More information about Verus is available on the company’s corporate website at www.veruspharm.com.

Forward-Looking Statements

Verus Pharmaceuticals cautions you that statements included in this press release that are not a description of historical facts may be forward-looking statements. The inclusion of forward-looking statements should not be regarded as a representation by Verus that any of its plans will be achieved. Actual results may differ materially from those set forth in this press release due to the risks and uncertainties inherent in Verus’ business including, without limitation, statements about: its ability to identify appropriate acquisition, licensing, or co-development and/or promotion candidates in the future or be able to take advantage of the opportunities it identifies; difficulties or delays in developing, obtaining

regulatory approval, manufacturing and commercializing its products; unexpected performance or side effects of its products that could delay or prevent development or commercialization, or that could result in recalls or product liability claims; the scope and validity of patent protection for its products; competition from other pharmaceutical companies; and its ability to obtain additional financing to support its operations. All forward-looking statements are qualified in their entirety by this cautionary statement and Verus undertakes no obligation to revise or update this press release to reflect events or circumstances after the date hereof.

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