

News Release

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Altea Therapeutics and Hospira enter into Development and Commercialization Agreement for Transdermal Product

ATLANTA, Ga., July 2, 2008. Altea Therapeutics announced today that it has entered into a partnership with Hospira, Inc., a global specialty pharmaceutical and medication delivery company, for the development and commercialization of an undisclosed product utilizing the Company's proprietary PassPort™ Transdermal Delivery System.

Under the terms of the agreement, Altea Therapeutics has granted Hospira exclusive worldwide rights to develop and commercialize the product. Altea Therapeutics will fund certain Phase 1 clinical studies after which Hospira will fund all further product development, manufacturing, and commercialization activities. In return, Altea Therapeutics will receive from Hospira an upfront payment, which includes an equity investment. In addition, Altea Therapeutics could receive from Hospira clinical, regulatory, commercialization, and sales performance milestone payments of up to \$109 million and undisclosed royalties on sales of the product over the term of the agreement.

"This agreement further validates the development of the Altea Therapeutics transdermal patch technology for drugs that previously were administered by needle injection or infusion, including water-soluble proteins, carbohydrates, and small drugs" said Dr. Eric Tomlinson, PhD, DSc, President and CEO of Altea Therapeutics. "Based on our existing relationship with Hospira, we believe they are the ideal partner with the technological and scientific expertise, and the global commercial reach necessary to develop and commercialize this product."

About Altea Therapeutics

Altea Therapeutics is an emerging specialty pharmaceutical company developing and commercializing products based on a new transdermal patch technology that can deliver therapeutic levels of water-soluble small drugs, therapeutic proteins, carbohydrates, and vaccines through the skin in a convenient, painless and cost-effective manner. Altea Therapeutics has demonstrated in several clinical studies that its patented PassPort Transdermal System achieves what existing transdermal patches are unable to do, namely the delivery through the skin of compounds that are typically administered by needle injections.

The company is currently conducting clinical trials in the United States for its products, which include a Transdermal Basal Insulin Patch designed to provide continuous delivery of insulin for people with Type 1 and Type 2 diabetes and a Transdermal Fentanyl Citrate Patch that enables rapid and safe management of moderate to severe pain. Furthermore, the company is in clinical and pre-clinical development with a number of product candidates, including an undisclosed transdermal protein patch, a parathyroid hormone analog transdermal patch for osteoporosis, and an atypical antipsychotic transdermal patch for the management of psychosis.

Altea Therapeutics is the recipient of the Frost & Sullivan 2007 Technology Innovation Award for its development of the PassPort System.

Additional information about Altea Therapeutics may be found at www.alteatherapeutics.com.

About Hospira

Hospira, Inc. is a global specialty pharmaceutical and medication delivery company dedicated to Advancing Wellness™. As the world leader in specialty generic injectable pharmaceuticals, Hospira offers one of the broadest portfolios of generic acute-care and oncology injectables, as well as integrated infusion therapy and medication management solutions. Through its products, Hospira helps improve the safety, cost and productivity of patient care. The company is headquartered in Lake Forest, Ill., and has more than 14,000 employees. Learn more at www.hospira.com.

NOTE: *Altea Therapeutics*, *PassPort*, *Medicines Made Better* are either registered trademarks or trademarks of Altea Therapeutics Corporation, in the USA and/or other countries. All other brand names, product names, or trademarks belong to their respective holders.

The statements in this press release regarding the products of Altea Therapeutics in development, product development plans, and projected financial results, are forward-looking statements involving risks and uncertainties that can cause actual results to differ materially from those in such forward-looking statements. Potential risks and uncertainties include, but are not limited to, the ability of Altea Therapeutics to both complete the design, development, and manufacturing process development of its products, manufacture and commercialize its products, obtain product and manufacturing approvals from regulatory agencies, manage its growth and expenses, finance its activities and operations, as well as marketplace acceptance of its products.