

For Immediate Release

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CEPTION THERAPEUTICS RAISES \$63 MILLION IN SERIES C FINANCING

MALVERN, PA – January 30, 2007 – Ception Therapeutics, Inc., an emerging biopharmaceutical company discovering and developing novel biologic and small-molecule agents to address unmet medical needs, today announced that it has raised \$63 million through a Series C private placement of preferred stock. Essex Woodlands Health Ventures led the round and was joined by a consortium of both current and new investors including Investor Growth Capital, MDS Life Sciences Technology Fund II (managed by MDS Capital), New Science Ventures and Aperture Venture Partners.

Ception Therapeutics will use the proceeds from the transaction primarily to advance its late-stage biologic anti-inflammatory programs and to pursue further progression of a small molecule anti-TNF program and several other discovery programs.

“This financing provides Ception with the capital necessary to move our most advanced programs to the next stage of clinical development and further progress our preclinical programs,” said Steve Tullman, President and CEO of Ception Therapeutics. “The strong support of this group of high-quality investors highlights the value of these programs and the significance of the medical needs they are being developed to address.”

“We at Essex Woodlands very much look forward to working with the Ception management team and also our financial partners in completing the clinical development of Ception's lead product and further advancing other programs in Ception's pipeline,” said Jeff Himawan, PhD, Managing Director, Essex Woodlands Health Ventures.

About Ception Therapeutics, Inc.

Ception Therapeutics is an emerging biopharmaceutical company focused on the discovery and development of novel products to address areas of unmet medical need. The Company's pipeline includes a late-stage biologic compound in clinical development for multiple inflammatory conditions, a small molecule anti-TNF program and other discovery programs. Ception Therapeutics pursues new drug targets in these and other disease areas through a proprietary thermodynamics-based rational drug design platform. For further information, visit www.ceptiontx.com.

About Essex Woodlands Health Ventures

Essex Woodlands Health Ventures (with roughly \$1.6 billion under management) is one of the world's premier venture capital firms focused exclusively on the healthcare industry. Essex Woodlands recently raised their seventh fund of \$600 million. The firm has offices in California, Texas, New York and London. The Essex Woodlands team has been involved in the founding, investing, and/or management of over 100 healthcare companies ranging across all sectors, stages and geography. For more information, visit www.ewhv.com.

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