

News Release

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Altea Therapeutics Announces Positive Clinical Results for its Basal Insulin Transdermal Patch in Patients with Type 1 Diabetes

ATLANTA, Ga., October 30, 2007. Altea Therapeutics has achieved sustained and steady basal levels of insulin in patients with type 1 diabetes using a small transdermal patch delivering recombinant human insulin in a cost-effective manner. These results were presented this week at the SMI 8th Annual Diabetes Conference held in London, United Kingdom.

To date, Altea Therapeutics has clinically studied the basal insulin transdermal patch in over 90 healthy subjects or people with type 1 diabetes. Results announced today show transdermal delivery of insulin that achieves therapeutic levels in people with type 1 diabetes equivalent to subcutaneous injections of currently marketed long-acting insulins.

“A transdermal patch providing steady basal levels of insulin for people with type 1 and type 2 diabetes provides numerous unique clinical and commercial benefits in what is the fastest growing segment of diabetes care,” said Dr. Eric Tomlinson, President and CEO of Altea Therapeutics. “A basal insulin transdermal patch, based on the Company’s proprietary PassPort™ Delivery System, could help overcome the significant compliance and safety problems associated with the repeated need for insulin injections. By meeting specific concerns expressed by patients that refuse or avoid insulin injections, the basal insulin transdermal patch has the potential to enable a wider acceptance and earlier introduction of insulin therapy that can lead to improved management of diabetes.”

Market research conducted by Altea Therapeutics on its basal insulin transdermal patch confirms significant market potential for a pain-free, convenient and cost-effective alternative to repeat insulin injections. Approximately 40 to 50 million people with type 2 diabetes and 10 million people with type 1 diabetes worldwide require insulin therapy. The worldwide market for all forms of insulin was over \$7 billion in 2005 and is estimated at over \$11 billion by 2011. The basal insulin market is the fastest growing insulin market and generated over \$2.6 billion in 2005.

About Altea Therapeutics

Altea Therapeutics is a private specialty pharmaceutical company developing and commercializing pharmaceutical products based on a new class of transdermal patches that deliver therapeutic levels of water-soluble small drugs, proteins and carbohydrates in a convenient, painless and cost-effective manner.

Altea Therapeutics has demonstrated in clinical studies that transdermal patches based on its patented PassPort™ Delivery System achieves what existing patches are unable to do, namely the continuous delivery through the skin of water-soluble molecules, including drug salts, proteins, carbohydrates and nucleic acids - compounds typically administered by painful needle injections. The Company has demonstrated that in addition to enabling the transdermal delivery of drugs that normally cannot enter the body through the skin, that the PassPort Delivery System



can deliver ten fold more drug than conventional transdermal systems and provide high efficiencies of delivery.

The Company is conducting several clinical trials in the United States for its products, including the basal insulin transdermal patch that provides continuous delivery of basal levels of insulin for people with diabetes and a fentanyl citrate transdermal patch that enables rapid and safe management of moderate to severe pain. Furthermore, the company is in pre-clinical development with a number of product candidates, including a low-molecular-weight heparin patch for thromboses, a parathyroid hormone analog transdermal patch for osteoporosis, and an atypical antipsychotic transdermal patch for the management of psychoses.

Altea Therapeutics is prosecuting 16 patent families covering the use, composition, and manufacture of its proprietary transdermal delivery technology, the PassPort™ System. Fifteen U.S. patents and 16 international patents have issued.

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

Additional information about [Altea Therapeutics](http://www.alteatherapeutics.com) can be found at www.alteatherapeutics.com.

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