



Zelos Therapeutics and Aegis Therapeutics Announce Collaboration for Intranasal Delivery of Zelos' ZT-031

West Conshohocken, PA, and San Diego, CA, April 16, 2008 – Zelos Therapeutics, Inc. and Aegis Therapeutics LLC today announced the signing of a collaboration agreement for the development of an intranasal spray formulation of the proprietary parathyroid hormone (PTH) analog ZT-031 [Ostabolin-C™, cyclic PTH-(1-31)]. Under the collaboration, which is exclusive across the PTH field, Zelos will utilize Aegis' patented Intravail® permeation enhancer technology to develop an intranasal version of ZT-031 for the treatment of osteoporosis and other bone diseases. A subcutaneous formulation of ZT-031 has already successfully completed a 12 month Phase 2 clinical trial in the treatment of osteoporosis.

“The improved biochemical and clinical profile of our subcutaneous formulation of ZT-031 over existing, marketed PTH therapeutics creates the potential for an important new anabolic therapy for osteoporosis and other bone diseases with commercial potential that we estimate to be in excess of one billion dollars,” said Dr. Brian MacDonald, Chief Executive Officer of Zelos. “We anticipate that an intranasal formulation of ZT-031 may substantially expand the market for bone formation agents by improving patient acceptance and compliance and represents a potential commercial opportunity that may be comparable in size to the market leading bisphosphonates, currently the mainstay of osteoporosis treatment. The ease of formulation of ZT-031 with Intravail®, by providing the opportunity for rapid development, was also an important consideration for Zelos. We are pleased that, in preliminary studies, Intravail® has already proven capable of significantly enhancing the pharmacokinetic profile of nasally administered ZT-031 and look forward to moving intranasal ZT-031 into clinical studies as quickly as possible.”

“Aegis looks forward to collaborating with Zelos on the development of intranasal ZT-031. The unique and differentiated product profile and strong clinical results for ZT-031 are impressive, and we believe this PTH analog is an ideal match for our Intravail® technology,” said Dr. Edward Maggio, Aegis' Chief Executive Officer. “Our work alongside Zelos' highly capable team serves to advance a new and potentially advantageous dosing formulation that may bring significant benefit to those suffering from osteoporosis and other bone diseases.”

About ZT-031

ZT-031 [Ostabolin-C™, cyclic PTH-(1-31)] is a proprietary cyclic 31-amino acid parathyroid hormone (PTH) analog. In a 12 month Phase 2 study in postmenopausal women with low bone mass, a subcutaneous formulation of ZT-031 was demonstrated to be a powerful bone formation agent with a rapid onset of effect, leading to clinically important increases in bone mineral density (BMD) at doses with low potential for calcium related toxicity. ZT-031 is expected to enter Phase 3 trials in osteoporosis this year, and clinical programs in fracture repair and renal bone disease indications are planned to begin over the next year.

About Zelos Therapeutics, Inc.

Zelos Therapeutics specializes in the development of innovative treatments for bone disorders and related indications in large, underserved markets. Led by an experienced team of biopharmaceutical executives and funded by leading health care investors, Zelos is advancing a portfolio of product opportunities into late-stage clinical trials. For more information about Zelos, please visit the Company's website at:

www.zelostherapeutics.com

About Intravail®

Intravail allows the intranasal delivery of a growing number of peptide or protein drugs used to treat a wide range of human diseases. Examples include insulin, growth hormone, parathyroid hormone, GLP-1, and interferon, among many others. Unlike dry powder inhalable systems for pulmonary delivery of peptide drugs to the lungs that require specialized and expensive controlled-particle-size manufacturing technology, Aegis' Intravail intranasal formulations use standard and comparatively inexpensive homogeneous liquid formulation and fill technology and are administrable using simple "off the shelf" metered nasal spray devices that avoids the possibility of lung exposure.

About Aegis Therapeutics

Aegis Therapeutics LLC is a drug delivery technology company commercializing its patented or proprietary drug delivery and drug formulation technologies through product specific licenses. Its Intravail drug delivery technology enables the non-invasive delivery of a broad range of protein, peptide and non-peptide macromolecular therapeutics that can currently only be administered by injection. Aegis' Intravail® absorption enhancement agents provide exceptionally high and unmatched bioavailability performance, comparable in efficiency to subcutaneous injection, via the intranasal and other mucosal membrane administration routes. Its ProTek® technology allows creation of proprietary, easily manufacturable, and stable aqueous or lyophilized dosage forms that maintain the integrity and physiological activity of many protein and peptide therapeutics. ProTek technology is applicable to injectable, intranasal, and other dosage forms of peptide or protein therapeutics.

For more information about Aegis, please visit the Aegis website at:

<http://www.aegisthera.com>.

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