

First Patient Treated with Novel “First-in-Class” Anti-Cancer Drug

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Ireland Cancer Center and TRACON Pharmaceuticals Announce Treating the First Cancer Patient with TRC102, an Inhibitor of Chemotherapy Resistance

Cleveland, OH and San Diego, CA – February 25, 2008 – The Ireland Cancer Center of University Hospitals Case Medical Center and TRACON Pharmaceuticals, Inc., announced that the first cancer patient has been treated in a Phase 1 clinical trial with TRC102, a novel anti-cancer drug intended to reverse resistance to Temodar® chemotherapy by targeting a specific DNA repair pathway.

TRC102 (introduced as Methoxyamine) is a small molecule that has been shown to reverse resistance to the chemotherapy agent Temodar® in models of human cancer, by targeting a newly identified pathway used to repair chemotherapy-induced DNA damage. TRC102 was developed by researchers Stanton Gerson, MD, Director of the Ireland Cancer Center and the Case Comprehensive Cancer Center and Lili Liu, PhD, Assistant Professor of Medicine at Case Western Reserve University (CWRU) School of Medicine. The team was the first to show its therapeutic potential in combination with other agents.

In 2006, CWRU’s Technology Transfer Office entered into a worldwide exclusive licensing agreement with TRACON Pharmaceuticals, Inc. (TRACON) of San Diego, CA, a privately-held biopharmaceutical company focused on the development of products for oncology treatment, to develop TRC102.

“After discovering a novel form of cancer therapy targeted to a new class of cancer resistance, we are gratified that the drug can safely reach the clinic following FDA review and with strong NIH, institutional and commercial support,” said Dr. Gerson. “This is a perfect example of fulfilling our mission to bring new therapies from the laboratory to the patient bedside as quickly and safely as possible. The potential for helping cancer patients is huge at this point in drug development.”

“We view TRC102 as a significant first-in-class therapy that targets an important mechanism of chemotherapy resistance,” said Charles Theuer, M.D., Ph.D., President and Chief Executive Officer of TRACON Pharmaceuticals, Inc. “Dosing a therapeutic that has the potential to improve the activity of both alkylating and antimetabolite chemotherapy is a major milestone for TRACON, and represents the third TRACON product to begin first-in-human studies in cancer patients within the past nine months.”

The Phase 1 trial is designed to assess the safety, tolerability and pharmacokinetics, as well as preliminary anti-tumor activity, of TRC102 in patients with advanced cancer who are also receiving Temodar®.

TRC102 is also being developed to reverse resistance to the chemotherapeutic Alimta® and a second Phase 1 trial of TRC102 combined with Alimta® is expected to begin later this year.

About TRACON Pharmaceuticals

TRACON Pharmaceuticals, Inc. (www.traconpharma.com) is a privately held biopharmaceutical company focused on the development of products for oncology and ophthalmology treatment, including agents that inhibit angiogenesis. TRACON addresses unmet needs in these areas with product candidates that use established platforms that will complement existing therapies. TRC093 is a monoclonal antibody that binds to cleaved collagen to inhibit angiogenesis and tumor growth that has been dosed in a Phase 1 trial. TRC105 is a monoclonal antibody that binds CD105 to inhibit angiogenesis that has been dosed in a Phase 1 trial. TRC102 is a small molecule intended to reverse resistance to chemotherapeutics that is currently being evaluated in a Phase 1 trial and TRC101 is a nanoliposome embedded with ceramide used to improve the

activity and delivery of chemotherapeutics. TRACON Pharmaceuticals was founded by Paramount BioSciences, LLC.

About Paramount BioSciences

Paramount BioSciences, LLC is a global pharmaceutical development and healthcare investment firm that conceives, nurtures, and supports new biotechnology and life-sciences companies. For additional information about Paramount BioSciences, visit www.paramountbio.com.

About University Hospitals

With 150 locations throughout Northeast Ohio, University Hospitals serves the needs of patients through an integrated network of hospitals, outpatient centers and primary care physicians. At the core of our Health System is University Hospitals Case Medical Center. The primary affiliate of Case Western Reserve University School of Medicine, University Hospitals Case Medical Center is home to some of the most prestigious clinical and research centers of excellence in the nation and the world, including cancer, pediatrics, women's health, orthopedics and spine, radiology and radiation oncology, neurosurgery and neuroscience, cardiology and cardiovascular surgery, organ transplantation and human genetics. Its main campus includes the internationally celebrated Rainbow Babies & Children's Hospital, ranked best in the Midwest and first in the nation for the care of critically ill newborns; MacDonald Women's Hospital, Ohio's only hospital for women; and Ireland Cancer Center, which holds the nation's highest designation by the National Cancer Institute of Comprehensive Cancer Center. For more information, go to www.uhhospitals.org

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