



NEWS RELEASE

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ARISAPH PHARMACEUTICALS ANNOUNCES APPOINTMENTS OF SCIENTIFIC ADVISORY BOARD MEMBERS

- **Esteemed members possess expertise across various scientific disciplines and therapeutic categories**

BOSTON, MA June 30, 2006 - Arisaph Pharmaceuticals, Inc., a privately held drug discovery and design biopharmaceutical company, announced today that it has appointed Daniel J. Drucker, M.D., Rudolph L. Leibel, M.D., and Vijay Kumar Kuchroo, Ph.D., DVM, to its Scientific Advisory Board (SAB). In addition to Drs. Drucker, Leibel and Kuchroo, Dr. Anotonio Gotto, a recognized leader in cardiovascular disease, has agreed to join the Scientific Advisory Board and Board of Directors of Arisaph, described separately in another press release issued today.

Dr. Daniel J. Drucker is an Endocrinologist and Professor of Medicine in the Division of Endocrinology, Department of Medicine, Toronto General Hospital, University of Toronto. Dr. Drucker is a foremost expert on the subject of enteric hormones with a principal research focus on the synthesis, secretion, and mechanism of action of the glucagon-like peptides. Dr. Drucker received training in Internal Medicine and Endocrinology from the Johns Hopkins Hospital in Baltimore, the Toronto General Hospital, University of Toronto and the Massachusetts General Hospital in Boston. Dr. Drucker is currently Director of the Banting and Best Diabetes Centre at the University of Toronto. Dr. Drucker received his M.D. degree from the University of Toronto and received his FRCPC in Internal Medicine from the Royal College of Physicians and Surgeons of Canada.

Dr. Rudolph Leibel is a Professor of Pediatrics and Medicine, head of the Division of Molecular Genetics at Columbia University College of Physicians and Surgeons and Deputy Director of the New York Obesity Research Center. Dr. Leibel is an internationally recognized expert in genetic and metabolic basis of obesity and he participated in the discovery of the leptin and leptin receptor genes, landmark findings in the area of obesity research. Dr. Leibel's research is focused on the molecular physiology of the regulation of body weight in rodents and humans, and on the genetics and molecular genetics of Type 2 diabetes. Dr. Leibel serves on the editorial boards of the Journal of Clinical Investigation, International Journal of Obesity and Obesity Research and is a member of the Institute of the National Academy of Sciences. Dr. Leibel received an M.D. degree from Albert Einstein College of Medicine and an undergraduate degree from Colgate University.

Dr. Vijay K. Kuchroo is currently a Professor of Neurology at the Harvard Medical School and Associate Immunologist at the Brigham and Women's Hospital, Boston. Dr. Kuchroo's major research interests are studying the autoimmune diseases, including type 1 diabetes. In this connection, Dr. Kuchroo has contributed to Arisaph's research program with respect to the role of DPP IV inhibitors in type I diabetes. Dr. Kuchroo has published over 100 original papers and numerous review articles and serves on the Editorial Boards of the journals *Autoimmunity* and *Journal of Experimental Medicine*. Based on his contributions, Dr. Kuchroo recently became the first recipient of the Samuel L. Wasserstrom Professor of Neurology Chair at Harvard Medical School. Dr. Kuchroo obtained a degree in Veterinary Medicine from the School of Veterinary Medicine, Hisar, India and obtained Ph.D. in Pathology from the University of Queensland, Brisbane (Australia).

“We are extremely pleased to have assembled such an esteemed group of scientific experts who bring knowledge from core therapeutic fields of interest, including diabetes and cardiovascular disease,” commented Christopher P. Kiritsy, President and Chief Executive Officer of Arisaph. “We have made considerable progress in the first phase of our evolution, discovering a lead DPP IV inhibitor, stable GLP-1 analogs, an apo A-1 mimetic peptide and niacin mimetics,” added Kiritsy. “As we enter the development phase of our evolution, we will benefit from the cross-disciplinary expertise of our SAB.”

About Arisaph

Arisaph, located in Boston, Massachusetts, is an emerging drug discovery and design biopharmaceutical company with active development programs to develop differentiated therapies for diabetes, cancer and cardiovascular disease. Arisaph utilizes proprietary drug discovery platforms to develop ultra-smart drugs that are efficacious and act on select targets. Arisaph has successfully applied its specificity profiling and retro-inversal chiral chemistry technology platforms to synthesize promising candidate drugs for seven different targets, including ARI-2243, a lead candidate for DPP-IV inhibition to treat type II diabetes and ARI-1778 or reverse D-4F, an orally active apo A-I mimetic peptide, being developed in collaboration with Kos Pharmaceuticals, Inc. to treat atherosclerosis. Through a licensing agreement with Tufts University, the Company has exclusive worldwide rights to several important issued patents in the diabetes area and several pending patents that have utility for the treatment of cancer and cardiovascular disease.

Certain statements in this press release, including statements regarding the Company's research and development effort, the Company's ability to benefit from the participation of its Board of Directors and scientific advisors, and the Company's ability to successfully capitalize on the early stage research are subject to risks and uncertainties. These risks and uncertainties include risks and uncertainties related to: our ability to discover and develop new compounds and products using a novel approach to drug discovery; the early stage of all of our discovery and development efforts; our ability successfully to complete preclinical and clinical development of our products; our ability to obtain and maintain regulatory approvals for our products; competition from other technologies and technologies similar to ours; obtaining, maintaining and protecting

intellectual property utilized by our products; changes in legislation and regulations affecting our products and potential product candidates; our need to obtain additional funding to support our business activities; our dependence on collaborators and other third parties for development, manufacture, marketing, sales and distribution of products; the ability of our licenses to achieve developmental, regulatory and other milestones and to commercialize their products; the effect of conditions in the pharmaceutical industry and the economy in general, as well as certain other risks and uncertainties.