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News Releases

Proteolix Closes \$45 Million Financing

Funding Will Support Continuing Clinical Development of PR-171 and Pipeline Expansion

SOUTH SAN FRANCISCO, Calif., May 30, 2006 - Proteolix, Inc. announced today the completion of a \$45 million Series B financing. The new capital will be used to expand the Company's on-going clinical trials of the novel proteasome inhibitor PR-171 in cancer and support the development of its pipeline. The financing was led by Delphi Ventures. Also participating in the round were the Series A investors U.S. Venture Partners, Advanced Technology Ventures, Latterell Venture Partners and The Vertical Group. Deepa Pakianathan, Ph.D., a partner of Delphi Ventures has joined the Company's Board of Directors. Proteolix is a biotechnology company developing products to treat cancer and immune diseases based on new insights into the way in which cellular protein turnover controls cancer growth and immune responses. Susan Molineaux, Ph.D., President and CEO of Proteolix, commented: "We are very pleased to announce the closing of this significant financing. The addition of this capital brings our total funding to over \$63 million through two financings in the past three years. With our progress in clinical trials, solid financial position, quality management team and a top-tier group of investors supporting the Company, we hope to make great strides in developing improved therapeutics with which to treat devastating cancers such as multiple myeloma and lymphoma." Larry Lasky, Ph.D., a partner of Latterell Venture Partners, stated: "We invested in Proteolix three years ago because we believed that the Company had the ability to leverage impressive new developments in understanding the potential therapeutic impact of proteasome inhibitors on cancers and to add important new drugs to the armamentarium physicians have at their disposal in battling cancer." Jonathan Root, M.D., a partner of U.S. Venture Partners commented: "We are gratified to see the Company's progress in its on-going clinical trials and look forward to further progress made possible with this financing."

About PR-171

The proteasome was validated as a clinical target for the treatment of cancer in 2003, when the first proteasome inhibitor to be tested in clinical trials was approved for the treatment of multiple myeloma. PR-171 is a proteasome inhibitor with a unique mechanism of action. It is active on a wide range of tumor cell types, including multiple myeloma patient cells that are resistant to currently available therapies. The advantage of PR-171 is that it can be administered on highly intensive daily dosing schedules that have not been possible with other proteasome inhibitors. Based on results in animal tumor models, the Company is hoping that PR-171 will improve therapeutic efficacy in cancer patients. PR-171 is currently being evaluated in two on-going multi-site Phase I clinical trials in patients with multiple myeloma and lymphoma.

Proteasome Inhibitors - A New Paradigm in Cancer Therapeutics

One of the most exciting new cancer targets to be discovered in recent years is the proteasome. The proteasome controls the turnover of proteins in all cells, but cancer cells are more susceptible to cell death when the proteasome is inhibited. Although proteasome inhibition induces cell death in a wide variety of cancer cells, clinical success to date has been primarily in multiple myeloma and mantle cell lymphoma. Proteolix is developing more efficacious inhibitors that have the potential to expand treatment to other cancers.

Proteasome inhibitors also work to block immune responses. A second form of the proteasome, called the immunoproteasome, is the predominant form found in immune cells. Proteolix is developing inhibitors that selectively modulate the immunoproteasome to treat hematological disease and immune disorders with fewer side effects than conventional proteasome inhibitors.

About Proteolix

Proteolix, Inc. is a biopharmaceutical company dedicated to discovering, developing and marketing pharmaceutical products that target the proteasome and the control of protein turnover in cells. Proteolix is developing second generation proteasome inhibitors, including an oral proteasome inhibitor and a selective immunoproteasome inhibitor, to expand the therapeutic potential of this new target class.

Proteolix is headquartered in South San Francisco. For more information, please visit the Company's Website at <http://www.proteolix.com>.

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