



Contact:

Jack M. Anthony
CEO, Osprey Pharmaceuticals U.S.A., Inc.
Tel: 415-352-6262
email: anthony@ospreypharma.com
website: www.ospreypharma.com

For media:

Karen L. Bergman or
Michelle Corral of
BCC Partners
650-575-1509 or 415-794-8662

For Immediate Release

**Osprey Pharmaceuticals U.S.A., Inc. Initiates Phase Ib Clinical
Trial in IgA Nephropathy**

***Trial to Evaluate Safety of CCL2-LPM for Inflammatory Kidney
Disease***

San Francisco, CA, April 14, 2009 — Osprey Pharmaceuticals U.S.A., Inc. announced today that patient dosing has commenced in a Phase Ib clinical trial of the company's lead compound, CCL2-LPM, for the treatment of IgA nephropathy, an inflammatory kidney disease. Osprey Pharmaceuticals U.S.A. is developing novel chemokine-enzyme fusion protein therapeutics, known as Leukocyte Population Modulators (LPMs), for the treatment of inflammatory and autoimmune diseases. CCL2-LPM selectively targets activated leukocytes expressing the chemokine receptor CCR2 that are responsible for initiating and maintaining a variety of inflammatory conditions.

The Phase Ib open-label, dose-escalating study will enroll up to 30 patients diagnosed with IgA nephropathy at clinical sites in Canada. The trial design utilizes a continuous reassessment method to evaluate safety of CCL2-LPM and to establish a maximum-tolerated dose. Secondary endpoints for the Phase Ib clinical trial include an assessment of pharmacokinetics and biomarkers of disease associated with the mechanism of action of CCL2-LPM.

"We are pleased to advance the first of our LPM compounds designed to target and neutralize chemokine-mediated inflammation into clinical trials. CCL2-LPM has shown a favorable pharmaceutical profile, demonstrating efficacy at low doses in models of glomerulonephritis, as well as tolerability at relatively high doses in preclinical toxicology testing," said Barbara Finck, M.D., Senior Vice President of Research and Development and Chief Medical Officer for Osprey Pharmaceuticals U.S.A., Inc. "We are hopeful that the Phase Ib clinical trial of CCL2-LPM will provide us with indications of the compound's biologic activity in addition to establishing safety. Initial results from the Phase Ib study are expected later this year."

CCL2-LPM is the most advanced of Osprey Pharmaceutical U.S.A.'s drug candidates based on the company's proprietary platform of therapeutic Leukocyte Population Modulators (LPMs). LPMs specifically target chemokine-activated leukocytes that drive and/or maintain a variety of inflammatory and autoimmune disorders. The CCL2-CCR2 chemokine ligand-receptor axis plays a significant role in inflammatory kidney diseases such as IgA nephropathy and diabetic nephropathy, as well as a variety of other autoimmune and inflammatory conditions. CCL2-LPM is designed to target and eliminate CCR2-expressing leukocytes. In a model of glomerulonephritis, CCL2-LPM significantly decreased the influx of leukocytes into the kidney and resulted in less kidney mesangial cell proliferation and fibrosis. In preclinical testing, CCL2-LPM demonstrated no adverse effects at doses up to 1.5 mg/kg every other day for 15 doses.

About IgA Nephropathy

IgA nephropathy is the most common primary cause of kidney disease and occurs as a result of the deposition of Immunoglobulin A in the kidney. The injured kidney tissues secrete a variety of inflammatory mediators including CCL2. CCL2 in the tissue causes CCR2-expressing leukocytes to become activated and to migrate into the kidney where they perpetuate inflammation. Over time kidney function becomes compromised and over the course of 10-20 years the inflammation can lead to end-stage renal disease requiring dialysis or kidney transplant. Current treatments for IgA nephropathy include blood pressure control, diet and immunosuppressant drugs. Approximately 30 percent of IgA nephropathy patients do not respond to current therapies.

About Osprey Pharmaceuticals U.S.A.

Osprey Pharmaceuticals U.S.A. is focused on the development of protein therapeutics for the treatment of inflammatory and autoimmune conditions based on the company's proprietary therapeutic platform of Leukocyte Population Modulators (LPMs). Osprey Pharmaceuticals U.S.A. is advancing a pipeline of proprietary LPMs, novel fusion protein therapeutics designed to selectively and systematically neutralize disease-related leukocytes. Founded in 2008, the company raised \$11 million in the first round venture capital funding. The financing was led by Burrill & Company with participation from Novo Nordisk Biotech Fund, Yasuda Enterprise Development, GeneChem Therapeutics Venture Fund, BDC Venture Capital, Inc. and Western Technology Seed Investment Fund. Osprey Pharmaceuticals U.S.A. is based in San Francisco, CA. www.ospreypharma.com

#