



NormOxys Secures \$17.5 Million Series B Financing to Advance Lead Drug Candidate into Clinical Studies for Two Diseases

— Company Accelerates Progress with Novel Oxygen-Enhancing Drugs from Proprietary Technology Platform —

Wellesley, MA, May 24, 2010 -- NormOxys, Inc., a biotechnology company developing a novel class of small molecule drugs which enhance the body's ability to deliver oxygen to diseased tissues, today announced that it has raised \$17.5 million in a Series B financing round. The financing was led by a new investor, Care Capital, LLC, with participation from existing venture investor Index Ventures. This new round of financing brings the total capital raised by NormOxys to \$30 million.

Proceeds from the financing will enable NormOxys to advance its lead drug candidate, OXY111A, into clinical development in 2010 in two diseases, chronic heart failure and cancer, and complete clinical studies through proof-of-concept in both of these indications. In oncology, NormOxys was recently granted clearance of an Investigational New Drug Application (IND) for OXY111A from the U.S. Food and Drug Administration (FDA). OXY111A is novel small molecule discovered from NormOxys' proprietary platform for novel oxyren drugs which enhance oxygen delivery capacity so that diseased hypoxic tissues are brought to normal oxygenation levels.

"This successful financing validates our science and the tremendous potential of our new class of oxyren drugs, and allows us to move forward aggressively with advancing OXY111A into Phase 1 this Spring," said Martin Tolar, M.D., Ph.D., chief executive officer of NormOxys. "This funding will also support completion of efficacy studies for OXY111A in patients with cardiovascular disease and cancer, development of additional clinical candidates and expansion of our platform, as well as execution of our business strategy."

"We believe that oxyrens have the potential to revolutionize the treatment of a number of disorders and to deliver meaningful clinical benefit to patients. This round of financing will enable NormOxys to build upon the strong scientific platform of its founders and to test the validity of this science in the clinic," said Argeris "Jerry" Karabelas, Ph.D., partner of Care Capital, LLC. "We are very pleased to be joining this extraordinary team of founders, management, and investors."

In connection with this financing, Dr. Karabelas will join the Board of Directors of NormOxys, which is chaired by Jean-Pierre Garnier, Ph.D.

"We are looking forward to working with Care Capital and the management team at NormOxys to move this new class of drugs into the clinic and eventually to patients, where we expect that oxyrens offer the potential to significantly enhance the treatment of a number of important diseases in a completely new way," said Michele Ollier, M.D., partner at Index Ventures.

About OXY111A and Oxyrens

OXY111A is one of a new class of allosteric effectors of hemoglobin, called oxyrens (oxygen release enhancers). Oxyrens are allosteric modulators of the affinity of oxygen to hemoglobin, which permit hemoglobin to release much more than the "normal" 25 percent of their bound oxygen. Because of this increase in oxygen delivery capacity, oxygenation of diseased hypoxic tissues and organs is brought to normal levels. As an oxyren, OXY111A is transported into the red blood cell via a specific transporter, binds irreversibly to hemoglobin, and once in the red blood cell, remains there for the life of the cell.

About NormOxys

NormOxys is developing a novel class of small molecule drugs, oxyrens, which enhance the body's ability to deliver oxygen more efficiently to diseased tissues with oxygen deficiency. This new class of drugs can be potentially developed in a broad range of clinical indications where therapeutic benefit can be obtained through an increased, regulated delivery of oxygen to hypoxic tissues, such as cancer, cardiovascular diseases, anemia, stroke and diabetic retinopathy. The company is based in Wellesley, MA and was founded by Prof. Claude Nicolau, PhD, and Nobel Laureate Prof. Jean-Marie Lehn, PhD, based on their groundbreaking investigations in chemistry and cellular biophysics. To learn more about NormOxys, please visit the Company's website at www.normoxys.com.

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