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## **YAUPON THERAPEUTICS INITIATES CLINICAL TRIALS FOR FIRST AGENT TO TREAT EPIDEMIC OF METHAMPHETAMINE ADDICTION**

***--Also Planning Phase II/III Trials for Agent To Treat Cutaneous T-Cell Lymphoma--***

***--New Developments Will Be Discussed at Mid-Atlantic Venture Conference--***

**Philadelphia and Radnor, PA - October 26, 2004** - Yaupon Therapeutics, a specialty pharmaceutical company developing products for central nervous system disorders and cancer, today announced it has initiated a phase I trial for lobeline for the treatment of methamphetamine addiction. The company also revealed that early next year it intends to begin phase II/III clinical trials of a new topical agent, Clearazide™, for the treatment of cutaneous T-cell lymphoma. These developments will be discussed by president and CEO Robert Alonso during his presentation at the Mid-Atlantic Venture Conference in Philadelphia on October 28, 2004 at 10:29am.

Lobeline is derived from a natural product with a long history of safety in human use. In animal studies, it has been shown to be effective in treating methamphetamine addiction. In recent years, the wide availability and highly addictive nature of methamphetamine have led to a tripling in the number of abusers, with over a million Americans now addicted, and have resulted in tremendous social, economic and personal costs. Until now, there has been no effective treatment for methamphetamine addiction. Yaupon is conducting phase I studies of lobeline with the University of California at San Francisco, with funding from the National Institute of Drug Abuse.

“Embarking on clinical trials for two medically significant indications just two years after establishing our company represents a major achievement for Yaupon,” said Mr. Alonso. “Methamphetamine is notoriously addictive, and it has devastated large numbers of American families and their communities. We are proud to be developing what may be the first agent to treat this damaging addiction.”

Yaupon's progress in advancing lobeline into human studies was supported by an investment earlier this year from BioAdvance, the Biotechnology Greenhouse of Southeastern Pennsylvania. The Greenhouse Fund investment was specifically targeted at enabling Yaupon to hire critical clinical and regulatory personnel needed for the clinical program.

“Yaupon's success at launching clinical trials for lobeline and Clearazide illustrates the importance of our mission to provide critical support to promising life sciences enterprises in our region,” said Barbara Schilberg, CEO and managing director of BioAdvance. “Lobeline may offer real promise for the millions affected by methamphetamine addiction, and we are pleased that BioAdvance was able to contribute to making these clinical trials possible.”

Clearazide, Yaupon's lead product candidate for cancer, is slated to enter pivotal clinical trials next year. Clearazide is a topical cytotoxic agent that has shown promise in early clinical trials in the treatment of cutaneous T-cell lymphoma, a difficult-to-treat skin cancer that afflicts 20,000 Americans. Clearazide has been designated an orphan drug by the Food and Drug Administration (FDA) for this condition. If successful, Yaupon expects to begin marketing this compound in 2007.

“Cutaneous T-cell lymphoma is a disfiguring cancer that is often fatal if not treated early,” added Mr. Alonso. “We, look forward to initiating these clinical trials which are intended to confirm earlier findings supporting the clinical utility of Clearazide in helping to manage this difficult condition.”

**About Yaupon:**

Founded in 2002, Yaupon Therapeutics is a privately held specialty pharmaceutical company that develops small molecule pharmaceuticals licensed from academic laboratories. The company has four product candidates in development, with one in phase II/III studies, one in phase I studies and two compounds scheduled to enter human trials over the next two years. Yaupon's pipeline reflects its strategy of in-licensing selected products that address indications with significant unmet medical need, have known mechanisms of action, offer compelling animal or human safety and efficacy data, involve clinical trials with known clinical endpoints and relatively small sample sizes, provide clear advantages versus current therapies, and have the potential to be leveraged beyond a single indication. Yaupon's aim is to build value primarily through focused development efforts leading to licensing collaborations with marketing partners. The company has an experienced management team and has received over \$3 million in NIH funding for its clinical programs. Yaupon is headquartered in Radnor, Pennsylvania with laboratories in Lexington, Kentucky.

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