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For Immediate Release

Copernicus Receives \$1M from Cystic Fibrosis Foundation Therapeutics To Advance Development of a Non-Viral Gene Therapy for Cystic Fibrosis

Cleveland, Ohio, January 20, 2005 – Copernicus Therapeutics, Inc. today announced that it has received an extension to its therapeutics development award from Cystic Fibrosis Foundation Therapeutics, Inc. (CFFT). This award in the amount of \$750,000 was coupled with a \$280,000 outstanding payment from the original therapeutics development award to bring the total payment to \$1.03 million. The award extension is intended to support the Phase II advancement of Copernicus' potential genetic therapy for cystic fibrosis (CF). Copernicus' unique, non-viral nanoparticle formulation is intended to deliver a normal copy of the CF gene to the affected airway cells of people with CF, and may eventually provide a long-term treatment for this disease.

The first clinical trial evaluated this genetic therapy in nasal airway cells of people with CF; the results showed no significant side effects and gene transfer was observed. The next step is to evaluate this DNA nanoparticle medicine in the lungs of people with CF. The award from CFFT will support this program and also assist in international efforts to develop an effective form of gene therapy for CF. The UK-based Cystic Fibrosis Gene Therapy Consortium, a collaboration supported by the United Kingdom's CF Trust, is made up of three leading CF and gene therapy institutions, including Professor David Porteous and colleagues at the University of Edinburgh, Professor Eric Alton at Brompton Hospital, Imperial College, London, and Drs. Deborah Gill and Steve Hyde at NDCLS, University of Oxford. As part of this international effort, these UK-based institutions are currently evaluating the Copernicus formulation.

"Our award from CFFT reflects the critical need for an effective CF therapy and underscores the clinical potential of Copernicus' gene delivery and targeting technologies," said Robert C. Moen, M.D., Ph.D., president and CEO of Copernicus. "Copernicus' DNA nanoparticles are designed to safely and efficiently transfer a normal copy of the CF gene into epithelial cells of the lung. Our intranasal study demonstrated that most CF patients had partial to complete

functional correction of the underlying CF defect. Support from CFFT will accelerate our efforts to evaluate our DNA nanoparticles in the lungs of people with CF.”

“We are encouraged by the progress made by Copernicus in their innovative approach to gene therapy and are pleased to support its advancement” said Robert J. Beall, Ph.D., president and CEO of the CF Foundation and CFFT. “Gene-based therapeutics offer hope for a potentially life-saving treatment that tackles the root cause of CF, rather than only treating its symptoms. The opportunity to support Copernicus and its work with dedicated scientists and clinicians in the United Kingdom furthers our common goal of developing an effective CF therapeutic.”

"The CF Gene Therapy Consortium was formed by the UK Cystic Fibrosis Trust to pool the resources and expertise of three leading academic centres in the UK," said Rosie Barnes, Chief Executive of the UK Cystic Fibrosis Trust. "We are delighted with the progress of the Consortium and recognise the importance of its evaluation of the Copernicus DNA nanoparticle gene transfer system. The collaboration of the international community represents an excellent example of how resources can be assembled to address a disease that impacts so many families world-wide."

CF is a life-threatening, genetic disease affecting more than 70,000 people around the world. CF is caused by a defective gene that prevents the proper transport of sodium and chloride in and out of cells. This leads to a thick, sticky mucus that obstructs the airways and the digestive system, resulting in chronic infections and inflammation in the lungs and difficulty digesting food and nutrients. In the United States, the current median age of survival for people with CF is in the early 30s.

About the Cystic Fibrosis Foundation, CFFT, the Cystic Fibrosis Trust, and Copernicus

The mission of the Cystic Fibrosis Foundation is to assure the development of the means to cure and control CF and to improve the quality of life for those with the disease. CFFT is the nonprofit drug development affiliate of the CF Foundation that operates drug discovery, development and evaluation efforts. Total support of CFFT is provided by the CF Foundation. For more information about CF, the CF Foundation or CFFT, call (800) FIGHT CF or visit www.cff.org.

The Cystic Fibrosis Trust is the UK's leading charity working to improve the lives of people with Cystic Fibrosis (CF), fund research into a cure and raise awareness of CF. Cystic Fibrosis is the UK's most common life-threatening inherited disease. The disease attacks the lungs and the digestive system, clogging them with thick sticky mucus making it difficult to breathe and digest food. Three people a week die from CF with the average life expectancy just 31 years old. It affects over 7,500 people in the UK. For further information go to www.cftrust.org.uk or contact Debbie Colton at IncrediBull Ideas at +44 2079403800.

Copernicus Therapeutics, Inc., a privately held biotechnology company, is advancing novel targeting and delivery systems with broad applications in human therapeutics. Copernicus' technologies include a targeting platform enabling the efficient uptake of drugs by specific cells and tissues, and a multi-component delivery platform that can be applied to nucleic acids to develop therapies for a variety of human diseases. The Company's targeting and delivery platforms are complementary and can be combined to enhance the efficacy and safety of existing drugs, to create novel therapeutics, and to speed up the drug discovery process. Additional information about Copernicus is available at <http://www.cgsys.com>

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