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TyRx Pharma, Inc. Raises \$25 Million in Private Financing

Proceeds Will Support Commercialization of the AIGISrx™ CRMD Anti-Bacterial Envelope and Development and Launch of Additional Drug-Eluting Devices in the TyRx Pipeline

Monmouth Junction, NJ, (February 27, 2008) -- TyRx Pharma, Inc., a leader in the commercialization of implantable combination drug - device products, announced today that the Company has raised \$25 million in a venture capital financing led by Clarus Ventures and co-led by Pappas Ventures. In connection with the financing, Jeffrey Leiden, M.D., Ph.D., Managing Director, and Scott Requadt, J.D., MBA, Principal, both of Clarus Ventures, and Arthur Pappas, Managing Partner, Pappas Ventures, will join TyRx's Board of Directors.

“We are pleased to attract new investment from Clarus and Pappas Ventures,” stated William Edelman, TyRx Pharma's Chief Executive Officer. “In January, we announced FDA clearance of the AIGISrx™ CRMD Anti-Bacterial Envelope, our third implantable combination drug-device product to reach the market. The funds from the current financing round will enable our continuing transition from the development stage to commercialization, targeting the market in medical device infection control estimated at \$3 billion in the United States.”

“We are excited about working with the TyRx management team to develop and commercialize the Company's novel and proprietary pipeline of drug-eluting devices,” commented Dr. Leiden. “We believe TyRx's combination drug - device products are well-positioned to meet the needs of the growing number of patients requiring implantable medical devices.”

“We are profoundly impressed with TyRx’s senior leadership, which is leveraging the Company’s technology to develop a range of current and future drug-eluting devices,” said Mr. Pappas. “In our estimation, the commercialization plan for the AIGISrx CRMD anti-bacterial envelope will provide for rapid medical acceptance in a market where there is high interest for a product of this type. This will allow TyRx to drive the launch of AIGISrx on its own, as well as rapidly deploy important partnership strategies.”

About AIGISrx™ CRMD

More than 400,000 cardiac rhythm management devices (CRMDs) are implanted each year in the U.S. According to a recent study presented during the Heart Rhythm Society *Heart Rhythm 2006* Scientific Sessions (Boston), the University of Pittsburgh Medical Center noted that the 2003 national incidence of CRMD implant infection was estimated to be 5.8% for pacemakers and 3.7% for implantable cardioverter defibrillators (ICDs). Furthermore, according to *Infection Control Today* (8/2003), the average cost of each infection related to invasive medical devices varies from \$34,000 to \$56,000.

TyRx Pharma’s AIGISrx™ CRMD Anti-Bacterial Envelope contains the antimicrobial agents, rifampin and minocycline, which have been shown to reduce infection by organisms representing a majority of the infections reported in CRMD-related endocarditis, including MRSA (methicillin-resistant *Staphylococcus aureus*). In addition, it is intended to securely hold a pacemaker or ICD in order to create a stable environment when implanted in the body. This device is only intended to be used in conjunction with pacemakers and ICDs.

AIGISrx™ CRMD is constructed of knitted filaments of polypropylene coated with a proprietary resorbable polymer that elutes the antimicrobial agents for a minimum of seven days to reduce the risk of infection of the implanted CRMD following surgery. In *in vitro* and *in vivo* studies, AIGISrx™ CRMD demonstrated antimicrobial activity against Methicillin Resistant *Staphylococcus aureus* (MRSA), *Staphylococcus aureus*, *Staphylococcus epidermidis*, *Acinetobacter baumannii*, *Enterobacter aerogenes* and *Proteus mirabilis*, which represent a majority of the infections reported in CRMD-related endocarditis. It should be noted that the *in vitro* and *in vivo* activity of the AIGISrx™ CRMD antimicrobials is variable against non-epidermidis strains of coagulase-negative staphylococci. The company plans to launch AIGISrx CRMD in the US beginning in April 2008.

About Clarus Ventures

Founded by a group of accomplished investment professionals with extensive and complementary industry backgrounds, Clarus Ventures is a life sciences venture capital firm with a team that has a long history of success in creating value. Internal operating experience combined with longstanding relationships with key opinion leaders and industry thought leaders and decision makers allow this team to identify unique investment opportunities and shepherd them to maturity. Clarus Ventures augments its core expertise of investing in biopharmaceuticals and medical technology with deep and

diverse expertise in research and development, commercialization, business development and operations management at the global level. The firm has \$1.2 billion under management and has offices in Cambridge, Mass., and South San Francisco, CA.

For additional information on Clarus Ventures, please visit www.clarusventures.com.

About Pappas Ventures

Pappas Ventures is a Research Triangle Park, North Carolina-based venture capital firm that invests nationally in the life science industry. Founded in 1994, Pappas has over \$250 million under management, and is currently investing out of its third venture capital fund. Among the firm's more than 40 portfolio companies are Arena Pharmaceuticals, NuVasive, Panacos, Peninsula Pharmaceuticals (acquired by Johnson & Johnson), Cerexa (acquired by Forest Laboratories), Syntonix Pharmaceuticals (acquired by Biogen Idec), and CoLucid Pharmaceuticals.

About TyRx Pharma, Inc.

TyRx Pharma, Inc., an ISO 9001:2000 and ISO 13485:2003 certified medical device manufacturer, commercializes implantable combination drug—device products utilizing novel biomaterials, including technology licensed exclusively from Rutgers, The State University of New Jersey. Additionally, TyRx has exclusively licensed from Baylor College of Medicine and The University of Texas M. D. Anderson Cancer Center product patents and associated technologies to address the problem of post surgical nosocomial infection. TyRx is deploying its capabilities across a broad range of combination implantable medical-pharmaceutical devices. The combination products sector (products incorporating both a drug & a device component) is expected to be the highest growth segment of the medical products industry and TyRx is positioned to be an innovative applications leader in the space.

For more information, please visit www.tyrxpharma.com.

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