Press Release
For immediate distribution

BELLUS HEALTH AND CELTIC THERAPEUTICS ENTER AGREEMENT FOR BELLUS' DRUG CANDIDATE KIACTA™

KIACTA™ advancing to a confirmatory Phase III clinical trial

LAVAL, Quebec, Canada. April 29, 2010 – BELLUS Health (TSX: BLU) and Celtic Therapeutics announced today that they have signed a final agreement pursuant to which Celtic Therapeutics will acquire and license worldwide rights related to the Phase III investigational product candidate KIACTA™ (eprodisate) for upfront payments of US$10 million, and will fund 100% of KIACTA™'s development costs through its confirmatory Phase III clinical study and other development activities, estimated at US$20 million. KIACTA™ is being developed for the treatment of AA amyloidosis, a life-threatening orphan disease that occurs in patients with long-lasting inflammatory conditions, most commonly due to rheumatoid arthritis. Celtic Therapeutics will complete the Phase III study and all other requirements for KIACTA™'s regulatory approval. Celtic Therapeutics will then conduct an auction process for the commercialization rights of KIACTA™. The overall proceeds of the auction process are expected to be shared equally between the parties.

"We are pleased to deliver today on what has been a major priority of our Company by announcing a partnership to develop KIACTA™ to its fullest potential. With its extensive expertise in drug development and preparation of regulatory filings, we believe Celtic Therapeutics is the ideal partner for the KIACTA™ program," said Mr. Roberto Bellini, President and Chief Executive Officer of BELLUS Health. "I am very proud of the pioneering work that the BELLUS Health team has accomplished to date towards the advancement of this important program and we look forward to collaborating with Celtic Therapeutics to help realize the development and full commercial breadth of KIACTA™, a product that has the potential to benefit so many patients suffering from this terrible disease. This transaction confirms our strong belief that there is substantial value in the BELLUS Health product portfolio and strengthens our financial position," he concluded.

"Celtic Therapeutics seeks to build one of the most valued late-stage portfolios in the global biomedical industry," explained Stephen Evans-Freke, Co-Founder and General Partner of Celtic Therapeutics. "KIACTA™, with its orphan drug status, intellectual property position and potential to address an important unmet medical need, is a perfect fit for our portfolio of late stage development candidates. It is also our first transaction with a company in the Canadian biotechnology industry – an industry that is ripe with opportunities," he added.

"Our pharmaceutical development team is enthusiastic to continue KIACTA™'s development

and to lead it through its confirmatory Phase III clinical study and other activities required for regulatory filing and approval. We strongly believe in KIACTA™'s potential for the treatment of AA amyloidosis, a truly devastating disease, and we look forward to putting our drug development expertise to the service of this product candidate," commented Dr. Peter B. Corr, Co-Founder and General Partner of Celtic Therapeutics.

Details of the transaction

A wholly owned subsidiary of Celtic Therapeutics ("Celtic Subsidiary") is acquiring all worldwide rights related to KIACTA™, and will fund KIACTA™'s final development as a global pharmaceutical asset. The US$10 million consideration to be paid to BELLUS Health for the acquisition of all rights related to KIACTA™ is payable in two installments, with US$5 million having been paid on closing of the transaction and the remaining US$5 million payable on the sixth month anniversary of closing. The costs to develop KIACTA™ through its confirmatory Phase III clinical study, to be funded by Celtic Subsidiary, are estimated at approximately US$20 million. Celtic Subsidiary will also fund any other KIACTA™-related activities and costs to build value around this asset.

In respect to the commercialization of KIACTA™, Celtic Subsidiary and BELLUS Health have agreed upon a formula to share proceeds from the future divestiture of the asset, and expect such formula to result in both parties sharing equally the overall proceeds of any transaction, including up-front payments, royalties or other revenues. The divestment proceeds formula makes provision for Celtic Subsidiary to enjoy certain preference rights on exit proceeds related to Celtic Subsidiary's investment costs in KIACTA™.

Governance

A steering committee of five members, including two from BELLUS Health, will be overseeing execution of the Phase III clinical study and product development. Also, a representative of BELLUS Health will join the Board of Directors of Celtic Subsidiary, which will oversee the execution of the auction and divestment process following the completion of the Phase III clinical study.

About KIACTA™

KIACTA™ is an investigational product candidate for the treatment of AA amyloidosis. KIACTA™ has received Orphan Drug Status designation in the United States and Orphan Medicinal Product designation in Europe and is now advancing to a second Phase III confirmatory clinical trial in the second half of 2010.

KIACTA™ was investigated in a landmark international, randomized, double-blind, placebo-controlled, and parallel-designed clinical trial in which 183 AA amyloidosis patients were enrolled at 27 sites around the world. The results of the Phase II/III clinical trial for KIACTA™ demonstrate that this product candidate offers important clinical benefits to patients by reducing the progression of AA amyloidosis-associated renal disease. These results were published in the June 7, 2007 issue of the New England Journal of Medicine.

About AA Amyloidosis

AA amyloidosis is a progressive and fatal condition that affects approximately 50,000 people in the United States, Europe and Japan with chronic inflammatory diseases, including rheumatoid arthritis, ankylosing spondylitis, juvenile rheumatoid arthritis, and Crohn's disease. The disease also occurs in patients suffering from many other conditions ranging from chronic infections to inherited inflammatory diseases such as Familial Mediterranean Fever. The most common clinical presentation of AA amyloidosis is renal dysfunction. Involvement of the gastrointestinal system is also frequent and is usually manifested as chronic diarrhea, gastrointestinal bleeding, abdominal pain and malabsorption. Enlargement of the liver and the spleen may also occur in some patients. End-stage renal failure is the main cause of death in 40-60% of cases. The median survival time from diagnosis varies from 2 to 10 years depending on the stage of the disease at the time of diagnosis.

No specific treatment is currently available for this orphan disease. The goal of the existing therapies is limited to the control of the underlying chronic inflammatory disease. The current therapeutic approaches are normally non-specific, and may be toxic, invasive or ineffective.

Advisors

BELLUS Health was advised on this transaction by Geller Biopharm, a healthcare advisory firm based in New York City that is actively engaged in licensing, mergers, acquisitions and consulting assignments for biotech, pharmaceutical and medical device companies.

Davies Ward Philips & Vineberg LLP acted as legal advisors to BELLUS Health.

Ogilvy Renault LLP, and in particular Gino Martel, Partner, and also Foley & Lardner LLP acted as legal advisors to Celtic Therapeutics.

About BELLUS Health

BELLUS Health is a global health company focused on the research and development of products to provide innovative health solutions to address critical unmet medical needs. For further information, please visit www.bellushealth.com.

About Celtic Therapeutics

Founded in 2007 by Stephen Evans-Freke and Dr. Peter B. Corr, Celtic Therapeutics is a successor firm to Celtic Pharma Management L.P., pursuing the same investment model on a larger scale. As a global private equity firm, it identifies, acquires and develops therapeutic products and related diagnostics in mid- and late-stage clinical development, in order to build one of the most valued portfolios of late-stage drug development programs in the global biopharmaceutical industry. Based in the US Virgin Islands, Celtic Therapeutics maintains acquisition, origination and drug development operations in New York City and Switzerland. The Celtic Therapeutics team comprises extensive experience in all aspects of management, acquisition and sale expertise as well as world class clinical and commercial development experience in the pharmaceutical sector. For further information, please visit www.celtictherapeutics.com.

Forward Looking Statements

Certain statements contained in this news release, other than statements of fact that are independently verifiable at the date hereof, may constitute forward-looking statements. Such statements, based as they are on the current expectations of management, inherently involve numerous risks and uncertainties, known and unknown, many of which are beyond BELLUS Health Inc.'s control. Such risks include but are not limited to: the impact of general economic conditions, general conditions in the pharmaceutical and/or nutraceutical industry, changes in the regulatory environment in the jurisdictions in which the BELLUS Health Group does business, stock market volatility, fluctuations in costs, and changes to the competitive environment due to consolidation, that actual results may vary once the final and quality-controlled verification of data and analyses has been completed, as well as other risks disclosed in public filings of BELLUS Health Inc. Consequently, actual future results may differ materially from the anticipated results expressed in the forward-looking statements. The reader should not place undue reliance, if any, on any forward-looking statements included in this news release. These statements speak only as of the date made and BELLUS Health Inc. is under no obligation and disavows any intention to update or revise such statements as a result of any event, circumstances or otherwise, unless required by applicable legislation or regulation. Please see the Annual Information Form of BELLUS Health Inc. for further risk factors that might affect the BELLUS Health Group and its business.

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