



Celtic Therapeutics and Resolvix Pharmaceuticals Announce an Alliance in Ophthalmology

Celtic Therapeutics to Progress RX-10045 for Dry Eye Syndrome through Phase III Clinical Development

New York, NY and Cambridge, MA, 26 October 2010 - Celtic Therapeutics Holdings L.P. (*Celtic Therapeutics*), a successor firm to Celtic Pharma, and Resolvix Pharmaceuticals, Inc. (*Resolvix*) announced today that they have entered into an option agreement relating to Resolvix's RX-10045, a late-stage program for the treatment of dry eye syndrome and other ophthalmic conditions. In connection with the RX-10045 option agreement, Celtic Therapeutics purchased a note convertible into Resolvix equity.

Under the terms of the option agreement, Celtic Therapeutics has an exclusive option to acquire and license rights to Resolvix's RX-10045, in all eye indications. RX-10045 is scheduled to enter a Phase III randomized, placebo-controlled, multi-center study in 2011. As part of the agreement, Celtic Therapeutics may also license rights to and develop another Resolvix compound in a topical formulation for ophthalmic indications. Resolvins are a recently discovered family of naturally-occurring, small molecule lipid mediators that can be targeted to treat a wide range of diseases. Resolvins are shown to be highly potent and efficacious across a broad range of pre-clinical models of asthma, atherosclerosis, rheumatoid arthritis, inflammatory bowel disease, dry eye and retinal disease, among others.

Dry eye, one of the most common problems treated by ophthalmologists, and a \$1.7 billion global market today, is a chronic, multifactorial disease of the tear ducts and ocular surfaces that results in symptoms of discomfort, visual disturbance, and tear film instability with potential damage to the ocular surfaces. RX-10045, a resolvins administered as a topical eye drop, produced dose-dependent, significant improvement on the primary endpoints for both the signs and symptoms of dry eye, and was generally shown to be safe and well tolerated in a large placebo-controlled Phase II study.

"Celtic Therapeutics is excited to invest in Resolvix's groundbreaking technology, which has already demonstrated impressive efficacy and safety in patients with dry eye syndrome," commented Peter B. Corr, Co-Founder and Managing General Partner of Celtic Therapeutics. "The market for dry eye products has grown substantially over the past several years, despite the fact that most patients are not satisfied with current therapeutic options. With the potential for improved efficacy, a much faster onset of action, an improved tolerability profile, and a strong patent estate, we believe RX-10045, if approved, would represent an important step forward in the treatment of this widely prevalent condition."

"We are delighted to be allied with Celtic Therapeutics in maximizing the therapeutic potential of Resolvins to treat dry eye syndrome and other eye disease," said Jamie Nichols, Chief Operating Officer at Resolvix. "Celtic Therapeutics brings both the capital and the world class development expertise to advance RX-10045 through Phase III development in dry eye and to maximize the potential of Resolvins to treat eye disease more broadly. This will allow Resolvix to dedicate our resources to pursue the exceptional therapeutic potential of resolvins for non-ophthalmic diseases."

"Our investment in Resolvix and RX-10045 demonstrates Celtic Therapeutics' focus on novel classes of biologic or small molecule therapeutics that hold the promise of significant medical advances compared to currently available treatment options," commented Stephen Evans-Freke, Co-Founder and Managing General Partner of Celtic Therapeutics. "This is the fourth such transaction we have announced to date; we have previously announced our investment in Koltan Pharmaceuticals, which is developing second-generation monoclonal antibody drugs targeting tyrosine kinase receptors for the treatment of many cancer types, and alliances with Spirogen for the development of small molecule cytotoxic anti-cancer drugs designed to circumvent drug-resistance mechanisms, and with Bellus Health for the final Phase III development of Kiacta for the treatment of AA Amyloidosis."

About Dry Eye Syndrome

Dry eye occurs when the eye does not produce tears properly, or when the tears are not of the correct consistency and evaporate rapidly. An estimated 9 million Americans suffer from moderate to severe dry eye and an additional 20 to 30 million Americans have milder cases of dry eye, with worldwide prevalence of the disease closely paralleling that of the US. It is accompanied by increased osmolarity of the tear film and inflammation of the ocular surface. Dry eye can make it more difficult to perform some visual activities for an extended period of time, and it can decrease tolerance for individuals exposed to dry environments.

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 Lausanne, 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.

About Resolvix Pharmaceuticals

Resolvix Pharmaceuticals is a privately-held biopharmaceutical company dedicated to the discovery, development and commercialization of resolvins, a novel class of therapies to treat inflammatory diseases and their complications. Resolvix's drug R&D programs are focused on characterizing and developing resolvins-based compounds. Resolvix currently has two programs in clinical development. RX-10045 is a topical eye drop that has completed a Phase II trial in chronic dry eye. RX-10001 is formulated for oral delivery and has completed Phase I. With its experienced management team, world-class scientists and leading investors, Resolvix is well-positioned to capitalize on its extensive portfolio of over 80 patents and applications. The company's headquarters are in Cambridge, Massachusetts. For additional information, please visit www.resolvix.com.

About Resolvins

Resolvins are a recently discovered family of naturally-occurring, small molecule lipid mediators that can be targeted to treat a wide range of diseases. In particular, resolvins act to protect healthy tissue during an inflammatory response to infection, injury or other environmental challenge, and then act to resolve inflammation and promote healing after the insult has passed. Resolvins are shown to be highly potent and efficacious in pre-clinical models of asthma, atherosclerosis, rheumatoid arthritis, inflammatory bowel disease, dry eye and retinal disease, among others. Resolvins are potential drug candidates to treat a broad range of acute and chronic diseases caused by a failure to resolve the inflammatory response and restore immune homeostasis.

ENQUIRIES

U.K. Media Relations

Susan Quigley, tel: +44 (0)207 269 7169; Susan.Quigley@fd.com

U.S. Media Relations

Robert Stanislaro, tel: +1 (212) 850-5657; Robert.stanislaro@fd.com

Irma Gomez-Dib, tel: +1 (212) 850-5761; Irma.Gomez-Dib@fd.com