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Ocular Pharma Company Charlesson Announces \$2.35MM in New Funding

Company aims to develop pharmaceutical therapeutics for blinding eye diseases, including Age-Related Macular Degeneration and Diabetic Retinopathy

Oklahoma City, OK, USA; October 15, 2007 - Charlesson, LLC ("Charlesson") today announced that it is the recipient of several Small Business Innovative Research (SBIR) awards from the National Institutes of Health (NIH), and an award from the Oklahoma Center for the Advancement of Science and Technology (OCAST). The four grants total approximately \$2,350,000 and will support development of several pharmaceutical drug candidates, as well as nanoparticle-based gene therapies for eye disease.

Mike Moradi, Chief Executive Officer of Charlesson said, "These funds will greatly assist the company in finalizing preclinical studies for an Investigational New Drug (IND) application with the U.S. Food and Drug Administration (FDA). We expect to file our first IND in 2008 and are hopeful that Charlesson's products will improve the quality of life for over 13.3 million Americans suffering from these blinding diseases. We believe these competitive grant awards represent national enthusiasm for our drug development efforts, and Charlesson is now seeking commercial partners for our various compounds", said Mr. Moradi.

Charlesson was awarded \$840,000 in a Phase II SBIR award from the NIH to develop CLT-003 for Diabetic Macular Edema (DME). These funds will be used to finalize IND-enabling efficacy and safety data. CLT-003 is a small molecule therapeutic with potent effects on reducing vascular leakage and subsequent neovascularization and inflammation that can occur in the eyes of diabetic patients. Charlesson is also developing efficacy profiles of CLT-003 for treating the "wet" and "dry" forms of Age-Related Macular Degeneration (AMD). "Our preclinical studies have demonstrated that CLT-003 is a safe and potent therapeutic for treating various forms of blinding retinal disease, and we look forward to working with the FDA to initiate human clinical trials," said Mr. Moradi.

Charlesson also received \$1,141,000 in a special request for proposals from the NIH to develop therapies to treat complications of type 1 diabetes. These funds will be used to develop Charlesson's gene therapy program to deliver DNA encoding CLT-001 to the retina. CLT-001 is a naturally occurring peptide found in the eye, and Charlesson has demonstrated that supplementation of this peptide in animal models of diabetes and AMD has profound effects on reducing neovascular and inflammatory events in the eye. In contrast to typical gene therapy where viral vectors are used to deliver the gene of interest, Charlesson's program employs biodegradable nanoparticles for gene delivery. This non-viral approach eliminates many of the safety concerns in eliciting an immune response following gene therapy. Additionally, Charlesson has demonstrated that topical delivery of nanoparticle-encapsulated CLT-001 DNA can result in gene transfer to retinal cells in the back of the eye. "Our scientists have demonstrated the safety and efficacy of CLT-001 and we are excited to advance our nanoparticle gene therapy efforts", said Mr. Moradi. "This delivery system is expected to allow topical delivery of therapeutics that produce a sustained effect in the eye, without the need for frequent dosing". Charlesson was also awarded \$135,000 from OCAST to utilize this gene-delivery method for treating hereditary retinal degenerations, such as Leber's Congenital Amaurosis and Retinitis Pigmentosa. This seed money from OCAST will aid in the development of preclinical data to support future SBIR grant applications to the NIH and National Science Foundation.

"Charlesson is another in the growing list of advanced technology companies that are choosing Oklahoma as their home. The federal Small Business Innovation Research program is designed to support companies such as Charlesson. As a state, Oklahoma will enjoy the economic growth created by the infusion of research dollars in addition to the future growth we can anticipate based on Charlesson's discovery and R&D program. Macular degeneration and diabetic retinopathy impact Oklahomans in greater numbers per capita than they do populations of other states. Charlesson's success will have a positive impact on the future health of many Oklahomans. At OCAST, we are proud to support the peer-reviewed work conducted at Charlesson," said Michael Carolina, OCAST executive director.

Charlesson also received its seventh Phase I SBIR award from the NIH. This award provides funds of \$237,000 to develop

CLT-006 as a treatment for retinal neovascularization. CLT-006 is a small molecule that has demonstrated potent anti-angiogenic activity in vitro, and this grant will fund studies to demonstrate preclinical efficacy in several in vivo models. Preliminary data suggests that indications to treat AMD and Diabetic Retinopathy will be initially pursued for CLT-006. Additionally, Charlesson is developing safety and efficacy data for CLT-006 in numerous cancer models and plans to pursue other indications for treating cancer if the studies prove successful.

Diabetic Retinopathy (DR) is a most common complication of diabetes Mellitus and one of the four major sight-threatening conditions (cataract, age-related maculopathy, glaucoma, and Diabetic Retinopathy) in developed countries. Almost 100% of patients with type I and 60% of type II diabetic patients will develop some degree of retinopathy in their lifetime. Approximately 10% of diabetic patients develop a severe visual handicap after 15 years of diabetes. Retinopathy in diabetic patients is often preceded by Diabetic Macular Edema (DME) where vascular leakage leads to swelling of the retinal tissue. There are currently no FDA-approved treatments for treating DME.

Age-related Macular Degeneration (AMD) is a rapidly growing retinal disease which primarily affects patients of age 50 years and older. Current prevalence rates in the US estimate that over 9 million citizens are afflicted with this disorder; however, as a consequence of the rapidly growing aging population, it is predicted that prevalence rates will increase 50% by 2020. "Charlesson's drug development portfolio represents a second generation in AMD-therapeutics", said Mr. Moradi. "Current therapies for AMD solely inhibit the abnormal formation of blood vessels in the eye. Recent evidence suggests that inflammation is also a key pathogenic feature of AMD. Charlesson's approach is to develop therapies that inhibit both neovascularization and inflammation to produce a stronger therapeutic benefit."

About Charlesson. Charlesson LLC is actively engaged in the development of therapeutics for treating numerous ocular diseases. The company's product pipeline includes pharmaceutical treatments for Age-Related Macular Degeneration, Retinitis Pigmentosa, Leber's Congenital Amaurosis, and diabetic complications, such as diabetic retinopathy and diabetic macular edema. Charlesson is also developing novel strategies to enhance drug delivery to the eye. In addition, the company offers outsourced preclinical services for the pharmaceutical industry, to screen drug candidates in the Charlesson's novel animal and cell models for ocular disease. The company was founded in 2003 and is self-funded. For information about Charlesson, see www.charlessonllc.com or contact:

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CAUTIONARY STATEMENT FOR THE PURPOSES OF THE "SAFE HARBOR" PROVISIONS OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995

This press release contains forward-looking statements within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are based on management's beliefs and assumptions and information currently available. This release includes forward-looking statements that reflect Charlesson's current views with respect to future events and financial performance. The words "believe", "expect", "anticipate", "intend", "estimate", "project", and similar expressions that do not relate solely to historical matters identify forward-looking statements. Investors should be cautious in relying on forward-looking statements because they are subject to a wide variety of risks, uncertainties, and other factors that could cause actual results to differ materially from those expressed in any such forward-looking statements. We expressly disclaim any responsibility to update forward-looking statements. Charlesson, LLC does not claim to speak for NIH, NSF, OCAST, and/or the University of Oklahoma.