

PNP

Therapeutics, Inc.

FOR IMMEDIATE RELEASE

Contact: Frank Hunt, CEO
PNP Therapeutics, Inc.
770-565-1647
FrankRHunt@aol.com

PNP Therapeutics Raises \$925,000 in Series B Financing through Birmingham Technology Fund and Phase 1 Holdings

Company prepares for technology to enter Phase 1 clinical trial

BIRMINGHAM, Ala. (June 7, 2007)—PNP Therapeutics, Inc.—a privately held, Birmingham-based, life sciences company—today announced that it has received \$925,000 in Series B financing through the Birmingham Technology Fund, managed by Greer Capital Advisors LLC of Birmingham, and Phase 1 Holdings, LLC managed by Dr. John C. Lankford. PNP also announced that Frank R. Hunt, a member of its Board of Directors, has been named chief executive officer. Dr. Lawrence W. Greer of Greer Capital Advisors has joined the PNP Board of Directors.

“This funding enables PNP Therapeutics to move its proprietary technology into phase one clinical trials for solid tumors,” said Hunt. “We appreciate the confidence shown in our technology by the investors of the Birmingham Technology Fund and Phase 1 Holdings, and their financial support for this clinical trial and the continuing development of our oncolytic treatment system for cancer.”

PNP Therapeutics co-founders Eric J. Sorscher, MD of the University of Alabama at Birmingham (UAB) and William B. Parker, PhD of Southern Research Institute (Southern Research) discovered this novel approach, based on the combination of gene-delivery to the tumor mass coupled with prodrug activation directly within the tumor itself. Preclinical animal studies have shown that the PNP system compels solid tumors to create their own chemotherapy, causing self-destruction of the tumor. Conventional anti-tumor agents only target the proliferation of the tumor, leaving the patient susceptible to reoccurrence of the tumor due to the presence of non-proliferating tumor cells. The PNP technology produces toxic agents that are active against both proliferating and non-proliferating tumor cells.

“This is exactly the kind of company and investment we had in mind when all of the partners came together to create the Birmingham Technology Fund,” said Alan Dean, Managing Partner of Fund Operations for Greer Capital. “UAB and Southern Research have the capacity to generate numerous spin-out companies and joint ventures from their research. We intend to be a primary funding mechanism to promote the success of Alabama-based life sciences and technology companies.”

About PNP Therapeutics, Inc.

PNP Therapeutics is an early-stage biopharmaceutical company developing a platform technology and proprietary products for the treatment of cancer based on the selective expression of *E. coli* purine nucleoside phosphorylase (PNP) in tumor cells. Dr. Eric Sorscher, the University of Alabama at Birmingham (UAB), and Dr. William Parker, Southern Research Institute, are co-inventors of several patents jointly owned by the UAB Research Foundation and Southern Research Institute. PNP Therapeutics has secured the worldwide exclusive rights to patents that protect the

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technology. PNP received its initial seed capital (Series A) from Vulcan Medical Ventures of Birmingham. For more information, visit www.pnptherapeutics.com.

About the Birmingham Technology Fund

The Birmingham Technology Fund is a venture capital fund specializing in privately held companies that are commercializing technologies developed at academic and research institutions in the State of Alabama, with a primary focus on medical and life sciences technology developed at the University of Alabama at Birmingham (UAB). It is managed by Greer Capital Advisors and funded by the University of Alabama System, the UAB Health Services Foundation and numerous business investors, including Protective Life Corp., Southern Research Institute, Wachovia Corp., Jemison Investment Co., Thompson Investment Co. and the Hugh Kaul Foundation. The fund may also invest a portion of its assets with other venture capital funds in similar ventures outside of the State.

About Greer Capital Advisors, LLC

Dr. Lawrence W. Greer, senior managing partner, founded Greer Capital Advisors (GCA) in 2002 and has since directed the raise of two funds, the S.C.O.U.T. Healthcare Fund and the Birmingham Technology Fund (BTF). GCA's consistent vision has been to provide capital for private equity projects that have the potential to be instruments for economic growth in our community. S.C.O.U.T. Healthcare Fund is a local venture capital fund specializing in healthcare and life sciences, with an emphasis on late-stage and mezzanine deals. The BTF is currently raising up to \$25 million and specializes in companies with emerging technologies that have a university or research institution connection within the State of Alabama. For more information see <http://www.greercap.com>.

About Phase I Holdings, LLC

Phase I Holdings is a Delaware limited-liability corporation established in 2006 specifically for the purpose of raising funds to invest in PNP Therapeutics, Inc. as part of the present Series B Financing. The fund was organized and is managed by John C. Lankford, III, PhD.