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FDA GRANTS DESIGNMEDIX ORPHAN DRUG DESIGNATION FOR MALARIA DRUG

Portland, Ore., (April 9, 2010) —DesignMedix, Inc., a Portland, Oregon drug development company, was granted Orphan Drug status for its lead malaria RCQ drug candidate. The designation by the U.S. Food and Drug Administration (FDA) places the program in a preferred status for regulatory review based on its use for treating malaria.

Orphan Drug status can be granted for diseases that are rare in a particular country. Malaria, while it infects more than 500 million people per year worldwide, causes fewer than 200,000 cases in the U.S. DesignMedix's RCQ drug candidates are amenable to low-cost manufacturing, which is an important concern for malaria drugs. In addition to being active at low concentrations, and having good safety profiles, they also overcome the drug resistance that has become a major worldwide problem. DesignMedix's drugs are being developed in partnership with Dr. David Peyton's laboratory in the Department of Chemistry at Portland State University (PSU).

The FDA provides incentives for companies to develop products for rare diseases. The intention is to encourage development of such products and reduce the expense. DesignMedix's Orphan Drug Designation has several benefits:

1. Grant funding for clinical studies: The Orphan Products Grants Program provides funding for clinical research for rare diseases.
2. Tax credits: Up to 50% of certain clinical testing expenses related to the use of a drug for a rare disease qualify for a tax credit.
3. Reduced regulatory review costs: The \$1,405,500 FDA user fee is not assessed for a drug that has received an Orphan Drug designation, and sponsors of orphan drugs can request a waiver of annual product and establishment fees.
4. Possible expedited FDA review: Historically, the approval time for orphan products as a group has been considerably shorter than the approval time for other drugs. This reduced approval time is often due to the fact that many orphan products receive expedited review or accelerated approval because they are for serious or life-threatening disease.
5. Seven years of market exclusivity: The FDA would not approve the same drug for malaria for seven years from the date of the original approval, even if the drug were not covered by patent protection.

"We are pleased to receive this acknowledgement from the FDA of the significance of our malaria drug candidate," says Lynnor Stevenson, Ph.D., chief executive officer of DesignMedix. "This designation provides leverage to help develop the drug to address a critical health problem, as well as an indication of the quality of the work DesignMedix is carrying out. We hope it will demonstrate additional value to strategic partners."

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About DesignMedix Inc.

DesignMedix was founded in 2006 to develop drugs to overcome drug resistance with an initial focus on curing malaria. The original technology, developed by Professor David Peyton, Ph.D., and licensed from Portland State University, has been further developed by the company to address malaria prevention and to treat other diseases that exhibit resistance. The company's initial focus is on oral drugs to treat malaria, which kills almost a million people per year and affects up to 500 million people. The company has developed a series of novel drugs that have demonstrated efficacy and have the potential for low-cost production. For more information please visit www.designmedix.com.

About Malaria

According to [UNICEF](#), [a child dies of malaria every 30 seconds in Africa. Nearly one million children under five years old in sub-Saharan Africa die each year from the mosquito-borne disease.](#) Approximately half of the world's population is at risk of malaria, particularly those living in lower-income countries. It infects more than 500 million people per year and kills more than 1 million. The burden of malaria is heaviest in sub-Saharan Africa but the disease also afflicts Asia, Latin America, the Middle East and parts of Europe.