



News Release

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Altea Therapeutics and KAI Pharmaceuticals Enter into a Preclinical and Clinical Development Agreement for the Transdermal Delivery of Certain Novel KAI Peptides

ATLANTA, Ga., January 13, 2010. Altea Therapeutics Corporation ("Altea") announced today that it has entered into a partnership with KAI Pharmaceuticals, Inc. ("KAI"), a drug discovery and development company, for the preclinical and clinical development of certain KAI proprietary peptides utilizing Altea's proprietary PassPort® Transdermal Delivery System.

Under the terms of the agreement, Altea and KAI will examine the transdermal delivery of certain KAI proprietary compounds using Altea's novel transdermal delivery technology, the PassPort System. Altea has also granted KAI an option to receive a worldwide technology license for the further development and commercialization of these novel transdermal products. Should KAI exercise the option, KAI will fund all product development, manufacturing and commercialization activities, and Altea may receive license payments, development and commercialization milestones and royalties on product sales from KAI.

"We are pleased to enter into this agreement with KAI Pharmaceuticals, said Dr. Eric Tomlinson, PhD, DSc, President and CEO of Altea Therapeutics. "The agreement further validates the broad application of the Altea Therapeutics novel transdermal patch technology for the transdermal delivery of water-soluble compounds. While we continue to apply our transdermal technology to currently approved drugs that previously were administered by needle injection or infusion, including water-soluble proteins, carbohydrates and small molecules, this new partnership allows us to apply our technology to the new peptide drugs being developed by KAI Pharmaceuticals."

About Altea Therapeutics

Altea Therapeutics is a privately held clinical-stage pharmaceutical company with a proprietary platform technology broadly applicable to the bolus or sustained transdermal delivery of biological drugs (proteins and carbohydrates) that otherwise would be administered by needle injection or infusion. The Company's PassPort® Transdermal Delivery System also is uniquely suited for delivering highly water-soluble low molecular weight drugs that otherwise could not be delivered transdermally.

Altea Therapeutics has partnered with Amylin Pharmaceuticals, Inc. and Eli Lilly and Company to develop and commercialize a novel daily transdermal patch delivering sustained levels of exenatide (currently marketed as Byetta®). The Company also has a partnership with Hospira, Inc. to develop and commercialize a transdermal patch for delivering enoxaparin sodium (currently marketed as Lovenox®) utilizing the PassPort® Transdermal Delivery System.

Altea Therapeutics is also in clinical development of a Transdermal Basal Insulin Patch for diabetes and a Transdermal Fentanyl Citrate Patch for pain. Additional information about Altea Therapeutics may be found at www.alteatherapeutics.com.

About KAI Pharmaceuticals

KAI is a drug discovery and development company with novel clinical-stage programs in cardiovascular disease, renal complications and pain. KAI's lead product candidate, KAI-9803, is currently in a Phase 2b study (PROTECTION AMI) designed to assess the effect of KAI-9803 on reducing myocardial injury in heart attack patients. KAI's second clinical program, KAI-1678, is in Phase 2a studies for pain. KAI's third program, KAI-4169, is for the treatment of secondary hyperparathyroidism (SHPT) in kidney disease patients and is in IND-enabling studies.

KAI is the leader in the selective modulation of intracellular protein:protein interactions and delivery of peptides into the cell. This approach has broad potential and has been validated clinically. The Company has applied its core expertise to discover highly potent and selective inhibitors and activators for protein kinase C (PKC) isozymes. KAI is based in South San Francisco, California, and can be found online at www.kaipharma.com.

KAI is a registered trademark of KAI Pharmaceuticals.

NOTE: *Altea Therapeutics*, *PassPort*, *Medicines Made Better*. are either registered trademarks or trademarks of Altea Therapeutics Corporation, in the USA and/or other countries. All other brand names, product names or trademarks belong to their respective holders.

The statements in this press release regarding the products of Altea Therapeutics in development, product development plans and projected financial results, are forward-looking statements involving risks and uncertainties that can cause actual results to differ materially from those in such forward-looking statements. Potential risks and uncertainties include, but are not limited to, the ability of Altea Therapeutics to both complete the design, development and manufacturing process development of its products, manufacture and commercialize its products, obtain product and manufacturing approvals from regulatory agencies, manage its growth and expenses, finance its activities and operations, as well as marketplace acceptance of its products.