



Press Release

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Mercury Therapeutics, Inc.

- *Lead series of indirect AMPK activators licensed to Makoto Life Sciences*

WOBURN, Massachusetts, March 12 - Mercury Therapeutics, Inc. (MTI), a company that discovers and develops orally active protein kinase targeted drugs, announces that it has signed an exclusive license agreement with Makoto Life Sciences, Inc., of Cambridge, Massachusetts.

Under this agreement, MTI has licensed to Makoto its lead series of high potency activators of AMP-activated protein kinase (AMPK), a well validated drug target for the treatment of Type-2 diabetes. As part of the license, MTI will transfer all assets related to its MT-39 series of indirect AMPK activators, including all materials, research notes, synthetic routes, and the structures of over 40 compounds. MTI will advise Makoto on the continuing development of the MT-39 series.

Unlike MTI's internal R&D program, which is focused on developing small molecules that activate AMPK by direct binding, the MT-39 series of compounds are indirect AMPK activators and appear to act with high potency through a cellular pathway which has not yet been identified. The successful clarification of this pathway may lead to the development of new targets and compounds for the treatment of metabolic disease.

MTI's series of compounds were originally identified in the course of a collaboration with Aventis, a large pharmaceutical company. That relationship ended in 2004 and all rights, including the MT-39 series of compounds, reverted entirely and exclusively to Mercury. MTI subsequently launched a medicinal chemistry program targeting the MT-39 core structure, and identified a number of congeners with low nanomolar activities and efficacy in animal models of glucose metabolism. As activators of AMPK, the MT-39 series of compounds could be expected to improve glycemic control in Type-2 diabetics, and lower other risk factors associated with cardiovascular disease.

While the specific terms of the license agreement have not been disclosed, Makoto will be responsible, among other things, for filing patents to protect the MT-39 series based both on the original work performed at MTI as well as work that will be carried out by Makoto.

Terence S. Russell, Ph.D., President and CEO of Makoto, said: "We are very pleased to have the opportunity to work with Mercury and to apply Makoto's expertise in small molecule target identification to drug discovery in metabolic disease. Type-2 diabetes is a large and growing serious medical condition for which novel therapeutics are increasingly needed."

Neal C. Birnberg, Ph.D., Mercury Therapeutics' President and CEO, said: "By finding a development partner for the MT-39 program while continuing to develop direct AMPK activators in-house, this agreement with Makoto complements Mercury's internal AMPK activator development strategy. Furthermore, by leveraging our AMPK small molecule discovery platform to identify both direct and indirect AMPK activators, this agreement increases the number of potential revenue generating opportunities for our shareholders."

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About Mercury Therapeutics, Inc. (www.mtipharm.com)

MTI was launched in 2001, and has an exclusive license to a patent from Dartmouth College and St. Vincent's Institute for Biomedical Research in Melbourne, Australia for AMP activated protein kinase (AMPK). In June 2001, MTI launched its R&D operations following execution of a sub-license and collaboration agreement with Aventis to develop AMPK activators to treat Type-2 diabetes and obesity. In June 2004, Aventis was acquired by Sanofi, and the AMPK collaboration with MTI ended. In October, 2004: MTI secured external financing from XL TechGroup, Inc. In Q4 2005, MTI demonstrated its first preclinical proof-of-principle of active compounds in a glucose tolerance test in mice. In Q4 2006, MTI implemented a chemical design and synthesis program which led to the submission of a patent application in February 2008 claiming two novel lead series of AMPK activators.

MTI is an early stage drug discovery company focusing on the development of small molecule candidates against a number of selected protein kinase drug targets in metabolic diseases and oncology. MTI's main focus is on the discovery and development of orally active small molecule activators of AMPK, a well-validated though largely unexploited, protein kinase drug target in metabolic disease. While a number of anti-diabetic drugs currently on the market, including metformin (Glucophage®) and pioglitazone (Actos®), act indirectly to activate AMPK, MTI is seeking to develop the first orally available direct AMPK activator. The potential indications of a successful AMPK targeted drug include Type-2 diabetes, hyperlipidemia, obesity, metabolic syndrome and endocrine cancers.

About Makoto Life Sciences, Inc.

Makoto Life Sciences, Inc. is a leading independent company focused on small molecule target identification. The company has developed a technology platform and capabilities specifically optimized to identify the targets of highly potent small molecules. In 2006, the company entered into a major discovery program with Taiho Pharmaceuticals Co., Ltd. of Japan focused on identifying the targets of compounds implicated in cancer and certain inflammatory diseases. The company was founded by academic research scientists associated with Harvard University and is located in Cambridge, MA.