



Neuromed Raises US\$53.3 Million in Series E Financing to Accelerate Development of Pain Treatments

CONSHOHOCKEN, PA and VANCOUVER, BC – August 21, 2007 – Neuromed Pharmaceuticals, a biopharmaceutical company developing new and improved chronic pain drugs, announced today the completion of a Series E financing of US\$53.3 million. This brings Neuromed's cumulative financing to US\$126 million.

The financing was comprised of new investors and significant participation from existing investors including MPM Capital, James Richardson & Sons, Neuro Discovery LP, GrowthWorks Capital (Working Opportunity Fund), BDC Venture Capital, CMDF, and the Royal Bank of Canada.

"Funding from this round will allow Neuromed to accelerate the development of its promising drugs to treat pain, including NMED-1077 (OROS[®] Hydromorphone), our recently in-licensed product for chronic pain in Phase 3 clinical development," said Dr. Christopher Gallen, Neuromed's President & CEO. "We have three programs aimed at addressing the underserved pain market and we believe this investment reflects the confidence that our investors have in Neuromed's potential to develop new treatments for the millions of people worldwide suffering from pain."

Neuromed recently acquired, from ALZA Corporation, the U.S. marketing rights to NMED-1077, an extended release formulation of hydromorphone. Hydromorphone is a Schedule II opioid that has been widely used for many years under the brand name DILAUDID[®] and is also available from various generic manufacturers. Current formulations of hydromorphone marketed in the U.S. are immediate release, requiring dosing several times per day. NMED-1077 employs the OROS[®] PUSH-PULL[™] osmotic delivery system to release hydromorphone at a controlled rate over an extended period.

Neuromed is also evaluating two pathways for the development of new classes of oral pain drugs. In collaboration with Merck, Neuromed is researching compounds designed to block the N-type calcium channel, a target linked to pain signal transmission. Separately, Neuromed is also developing T-type calcium channel blockers for the treatment of acute and chronic pain as well as other potential disorders such as hypertension and epilepsy.

NMED-1077 is an investigational product and is not approved by the FDA for use in the U.S. NMED-1077 has been studied in more than 1000 pain patients. The most common adverse events seen in clinical trials to date were opioid-related events of constipation, nausea, somnolence, headache, vomiting and dizziness. Respiratory depression is the most important hazard of opioid preparations including NMED-1077.

About Neuromed

Neuromed is a privately held biopharmaceutical company in business to develop safer and more effective pain drugs. We are combining our pharmaceutical expertise in research, development and commercialization to improve existing pain treatments as well as develop new pain medicines. For more information visit www.neuromed.com.

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