



Press Release

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SATAI Announces \$1.045 Million Emerging Technology Fund Investment in Azaya Therapeutics, Inc.

Investment will help commercialize a patented, nanotechnology platform that creates safer and more effective cancer treatments

Tuesday, September 29, 2009, 1:00 p.m. (CST), San Antonio, Texas: SATAI

(www.satai.us) and the South Texas Regional Center of Innovation and Commercialization (www.strcic.com) today announced an investment of \$1.045 million in Azaya Therapeutics, Inc. through the Texas Emerging Technology Fund (ETF) for the commercialization of Azaya's proprietary Protein Stabilized Nanoparticle (PSN) technology platform to produce targeted, safer and more effective formulations of chemotherapy pharmaceuticals for the treatment of cancer.

“The ETF is super-charging technology innovation in our state and propelling economic progress,” Gov. Perry said. “This investment in Azaya Therapeutics will enable the continued development of this important technology that will ultimately provide a safer, less expensive and more effective way to target cancer tumors and increase the efficacy of life-saving chemotherapy drugs.”

“We are pleased to announce Azaya as the most recent recipient of ETF funding in South Texas,” said Jim Poage, President and CEO of the SATAI and the STRCIC. “This is

great news coming on the heels of our recent announcement of a combined investment by the ETF of \$8.65 million in five other San Antonio companies. The Biotechnology and Life Sciences sectors are rapidly emerging as an important part of the biomedical community in San Antonio. With the pipeline of new companies we have, we anticipate that young technologists and scientists will look to San Antonio as a great place to launch their careers.”

“This investment by the State of Texas followed an extensive due diligence process and we thank SATAI for helping us with the process. Today’s announcement represents an important step in validating and commercializing our technology platform”, said Mike Dwyer, President & CEO of Azaya Therapeutics. “Proceeds from this investment will enable us to initiate our first study in cancer patients with our lead product, ATI-1123, that is a safer and more effective formulation of Taxotere®.” Taxotere® is one of the most widely used chemotherapy products in the world. The successful development of Azaya’s product will provide benefits for thousands of cancer patients.

About SATAI

SATAI exists to **Inspire** technology innovation and commercialization, **Create** technology companies, and **Grow** them into viable businesses in the San Antonio and Bexar County regional economy. SATAI, as the host of the South Texas RCIC, is the South Texas portal for the Texas \$200M Emerging Technology Fund, and all applications in a 32 county region from Nueces County (Corpus Christi) to Bexar County (San Antonio) go thru SATAI. For more information on SATAI, visit www.satai.us. SATAI derives support from the City of San Antonio, the University of Texas at San Antonio, the State of Texas, Bexar County, private companies, individuals and public institutions.

About South Texas RCIC (STRCIC)

The South Texas Regional Center for Innovation and Commercialization (STRCIC) is one of seven regional agents for the ETF. The STRCIC is a 501(c) (3) not-for-profit

corporation that works to identify technology-based entrepreneurial ventures, increase cooperation between industrial, financial, and Institutions of Higher Education and encourage the formation of commercial enterprises based on advanced technologies. As a resource to its client companies, the STRCIC has a full-time staff, experienced volunteers and a strong resource partner organization network. For detailed information about the Emerging Technology Fund and the South Texas RCIC, visit www.strcic.com.

About the Texas Emerging Technology Fund

The ETF is a \$200 million initiative created by the Texas Legislature in 2005 at the governor's request, and reauthorized in 2007 and again this session with \$203.5 million for the 2010-2011 biennium. A 17-member advisory committee of high-tech leaders, entrepreneurs and research experts reviews potential projects and recommends funding allocations to the governor, lieutenant governor and speaker of the House. To date, the ETF has allocated more than \$99 million in funds to 78 early stage companies.

For more information on the ETF, please visit www.emergingtechfund.com.

About Azaya Therapeutics, Inc.

Azaya is an emerging San Antonio Life Science company that has developed and patented a novel and widely applicable nanotechnology platform for the formulation, manufacturing and use of many different active ingredients for drugs. The company is initially utilizing this technology platform to produce safer and more effective cancer treatments. More broadly the technology platform solves a major problem associated with creating new drug products with water insoluble active pharmaceutical ingredients.

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