

Xanthus Pharmaceuticals Licenses Novel Cancer Targeting Agents From
Schering AG, Berlin

- Xanthus Plans to Reinitiate Clinical Trials in Advanced Lung Cancer -

CAMBRIDGE, Mass., Sept. 6 /PRNewswire/ -- Xanthus Pharmaceuticals, Inc., a privately-held oncology drug development company, today announced that the Company has acquired from Schering AG, Berlin, the exclusive worldwide rights to develop and commercialize a group of targeted cancer compounds. The lead compound is P2045, which Xanthus intends initially to develop for the treatment of advanced lung cancer.

About P2045

P2045 is a small peptide of 11 amino acids that specifically targets tumors over-expressing somatostatin receptors (SSTR) such as lung cancers, neuroendocrine cancers and some breast cancers. P2045, when combined with the radioisotope, Rhenium-188, is designed to deliver a dose of radiation to SSTR-expressing tumors, thereby eradicating them or inhibiting their growth. Schering AG has previously studied radiolabeled P2045 in several Phase 1 clinical trials in patients with small cell and non-small cell lung cancer.

The original discovery and development of P2045 was initiated by Xanthus' CEO, Richard T. Dean, Ph.D. and Vice President, Development, John Lister-James, Ph.D. and their R&D colleagues while they were at Diatide, Inc., prior to its acquisition by the Schering group.

"P2045 is an important addition to our oncology pipeline," said Richard T. Dean, Ph.D., Chief Executive Officer of Xanthus. "P2045 gives Xanthus a novel compound with a targeted mechanism of action to complement our current portfolio of therapeutic candidates. Furthermore, our prior experience with P2045 and the successful development of radiopharmaceuticals, along with the rich development experience of the Company's management team, make Xanthus particularly well-suited to execute the clinical and regulatory strategy for advancing the program towards commercialization."

"I am excited to have the opportunity to work on the development of this series of molecules. From the initial development of P2045 at Diatide, we believed that this compound had the potential to make a significant impact on the treatment of cancer by offering a novel way to target therapy directly to the tumor cells," said John Lister-James, Ph.D., Xanthus' Vice President, Development.

"Advanced lung cancer is responsible for a large proportion of newly reported cases and it is known to have one of the highest mortality rates for both men and women. In spite of several new single and combination therapy regimens, there is a compelling need for new therapeutic options," commented Michael A. Boss, Ph.D., Xanthus' Chief Business Officer.

Under the terms of the agreement with Schering AG, Xanthus will have exclusive worldwide rights to develop and commercialize compounds covered by the acquired technology. For these rights, Xanthus paid Schering an upfront fee and has agreed to make payments upon the achievement of predetermined milestones, as well as to pay a royalty to Schering on net sales. Additional financial terms were not disclosed.

About Xanthus Pharmaceuticals, Inc.

Xanthus Pharmaceuticals, Inc. is developing a portfolio of novel, clinical-stage, small-molecule oncology candidates through a management team whose accomplished track record encompasses all aspects of drug development, from discovery through regulatory approval and commercialization. The Company is applying its expertise both to advance its current pipeline and expand it into indications of unmet medical need beyond oncology.

Xanthus is headquartered in Cambridge, Massachusetts with an additional facility in Montreal, Quebec. More information is available at www.xanthus.com.

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