

**SEATTLE – July 28, 2010**

**HemaQuest Pharmaceuticals Raises Additional \$4M to Bring Total to \$16M in Series B Financing**

SEATTLE – July 28, 2010 - HemaQuest Pharmaceuticals, a clinical stage biotechnology company developing small molecule therapeutics for sickle cell disease, beta thalassemia and EBV-related cancers, announced today the closing of an additional \$4M to its Series B financing by new investor, Latterell Venture Partners. This investment brings the total Series B financing to \$16M. The financing is intended to help advance HemaQuest's two lead products, HQK-1001 and HQK-1004, through Phase 2b clinical trials. Latterell Venture Partners joins the HemaQuest investor syndicate which includes Aberdare Ventures, De Novo Ventures, Forward Ventures and Lilly Ventures. In conjunction with the financing, James Woody, MD, PhD, General Partner at Latterell Venture Partners, has joined HemaQuest's Board of Directors.

"HemaQuest is focusing on much needed clinical therapies for serious and life threatening orphan diseases. As a clinician who has cared for such patients, it is clear the unmet need is large and there is a significant need for novel new medications," said Dr. Woody. "The company, with excellent leadership and considerable skill in the hematology and oncology space, has made great progress with the two lead compounds, with promising results in early clinical trials. We look forward to working closely with our colleagues at HemaQuest to advance these important drugs into registration trials, and eventually to patients."

Fred Dotzler, Managing Director of De Novo Ventures and HemaQuest's Chairman of the Board, said, "The investment by Latterell Venture Partners provides further validation to the Company's technologies and progress in developing programs for its two lead products. We are delighted to have the very talented Jim Woody join the Board of Directors."

**ABOUT HEMAQUEST PHARMACEUTICALS**

HemaQuest Pharmaceuticals ([www.HemaQuest.com](http://www.HemaQuest.com)) is a Seattle-based biopharmaceutical company focused on developing small molecule therapeutics based on its proprietary short chain fatty acid technologies to treat orphan hematologic diseases. HQK-1001 is an orally administered small molecule therapeutic being developed to treat the two most common hemoglobin disorders, sickle cell disease and beta thalassemia. The drug candidate has advanced through Phase 1 clinical trials and is completing testing in proof of concept clinical studies in patients with sickle cell disease and beta thalassemia. HQK-1004 is a unique therapy designed to treat malignancies associated with Epstein-Barr virus. A Phase 2 clinical trial is being initiated with this drug candidate.

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