

HemaQuest Announces Appointment of New Executive Management Team
Company Establishes Headquarters in San Diego

San Diego, CA – December 3, 2010 - HemaQuest Pharmaceuticals, Inc. (HemaQuest), a biotechnology company focused on developing small molecule therapeutics to treat hemoglobin-associated diseases, announced the addition of three experienced executives to the management team. John P. Longenecker, Ph.D. was appointed to serve as President, CEO and Director, Richard Ghalie, MD as Chief Medical Officer, and Tamara A. Seymour as Chief Financial Officer. Dr. Longenecker most recently served as President, CEO and Director of Favrilite, Inc. (Favrilite) and has more than 25 years of executive management experience in the biotechnology industry. Both Dr. Ghalie and Ms. Seymour worked with Dr. Longenecker at Favrilite and each have distinguished careers in the biotechnology industry. “I am very pleased to be reunited with my former colleagues in this new venture. I look forward to an aggressive clinical program for our lead product, HQK-1001, an orally administered Small Chain Fatty Acid Derivative (SCFAD), as a potential new treatment for hematologic disorders such as sickle cell disease and beta thalassemia,” said Dr. Longenecker. HQK-1001 has been given Orphan Drug designation in both the U.S. and Europe.

HemaQuest was founded in 2007 in Boston and Seattle by Drs. Susan Perrine, Douglas Faller, Ronald Berenson, Thalia Papayannopoulou and George Stamatoyannopoulos. Dr. Berenson, former President and CEO, and Dr. Perrine, former Chief Scientific Officer and Vice President, Clinical Affairs, will continue as consultants to HemaQuest. SCFADs, the Company’s novel small molecule therapeutic platform, stimulate the expression of specific target genes to treat serious and life-threatening genetic blood disorders and malignant hematologic diseases. “This is an exciting opportunity to potentially make a significant contribution to the treatment of these devastating diseases in underserved populations,” said Dr. Longenecker.

Under the leadership of Drs. Berenson and Perrine, clinical trials in the two most common hemoglobin disorders, sickle cell disease and beta thalassemia, have shown HQK-1001 to be safe and well tolerated. In particular, HQK-1001 demonstrated the capacity to induce fetal hemoglobin expression in these subjects, which is the key biologic parameter correlated with improved clinical outcomes. Data from these early clinical programs will be reported at the American Society of Hematology meeting in December of this year. A broader clinical program, initially in sickle cell disease, is planned for 2011.

In conjunction with the appointment of the new management team, corporate offices for the Company will be established in San Diego and existing offices in Seattle will be maintained.

ABOUT HQK-1001

HQK-1001 belongs to a class of compounds originally discovered at Boston University School of Medicine. These compounds, designated as Short Chain Fatty Acid Derivatives (SCFADs), have been shown to stimulate fetal hemoglobin expression and red blood cell production in the laboratory and in small clinical trials in patients with hemoglobin disorders, including sickle cell disease and beta thalassemia. Increased fetal hemoglobin production in red blood cells was shown to ameliorate the outcome of patients with these diseases. HQK-1001 is an orally administered SCFAD, which has shown an excellent safety profile and biologic effects on fetal hemoglobin induction and red blood cell production in the laboratory, relevant animal models, and in clinical trials carried out in healthy human subjects as well as patients with sickle cell disease and beta thalassemia. Additionally, the compound has received Orphan Drug Designation in the United States and Europe for both sickle cell disease and beta thalassemia.

ABOUT SICKLE CELL DISEASE AND BETA THALASSEMIA

Sickle cell disease is a genetic blood disorder that affects approximately 80,000 patients in the U.S., and is characterized by production of an abnormal beta hemoglobin chain of adult hemoglobin, which results in distorted, rigid sickle red blood cells, which block blood vessels, causing lack of oxygen to tissues, acute episodes of pain (pain crises), lung injury (acute chest syndrome), and strokes. Infections are common, and chronic damage occurs in many organs, including the spleen, bones, kidneys, lungs, brain, and eyes. The sole drug which is approved to treat the disease is a cancer chemotherapy drug, hydroxyurea. The lifespan of sickle cell patients is markedly reduced.

Beta thalassemias are among the most common genetic blood disorders worldwide. Patients are unable to produce normal amounts of the beta hemoglobin chain of adult hemoglobin and, therefore, experience consequent rapid destruction of red blood cells and their progenitors, and moderate to severe, transfusion-dependent anemia. The standard therapies are transplantation and red blood cell transfusions, which cause iron overload and vital organ damage, and must be treated with iron chelator drugs.

ABOUT HEMAQUEST PHARMACEUTICALS, INC.

HemaQuest Pharmaceuticals (www.HemaQuest.com), established in late 2007, is a San Diego and Seattle-based biopharmaceutical company focused on developing small molecule therapeutics based on

its proprietary SCFAD technologies to treat hemoglobin diseases. HemaQuest is also developing a second therapy for viral-related hematologic malignancies. The Company's investors include De Novo Ventures, Forward Ventures, Lilly Ventures, Aberdare Ventures and Latterell Venture Partners.

Under U.S. law, a new drug cannot be marketed until it has been investigated in clinical trials and approved by the FDA as being safe and effective for the intended use. Statements included in this press release that are not historical in nature are "forward-looking statements" within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. You should be aware that our actual results could differ materially from those contained in the forward-looking statements, which are based on management's current expectations and are subject to a number of risks and uncertainties, including, but not limited to, our failure to successfully commercialize our product candidates; costs and delays in the development and/or FDA approval, or the failure to obtain such approval, of our product candidates; uncertainties or differences in interpretation in clinical trial results; our inability to maintain or enter into, and the risks resulting from our dependence upon, collaboration or contractual arrangements necessary for the development, manufacture, commercialization, marketing, sales and distribution of any products; competitive factors; our inability to protect our patents or proprietary rights and obtain necessary rights to third party patents and intellectual property to operate our business; our inability to operate our business without infringing the patents and proprietary rights of others; general economic conditions; the failure of any products to gain market acceptance; our inability to obtain any additional required financing; technological changes; government regulation; changes in industry practice; and one-time events. We do not intend to update any of these factors or to publicly announce the results of any revisions to these forward-looking statements.

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