



Press Release

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**BioCrossroads' Indiana Seed Fund invests in biotech company
developing lung disease treatments**
Company will have treatment in clinical trials in 2008

Indianapolis, IN, October 30, 2007 – Each year more than 40,000 people die of idiopathic pulmonary fibrosis (IPF), a devastating lung disease – leading to the same number of deaths as breast cancer. Currently, there is no effective treatment for the disease. However, ImmuneWorks, an Indianapolis-based biotechnology company committed to developing effective treatments for serious lung diseases, is developing a safe and effective treatment for IPF patients.

The scientific foundation of the company is the groundbreaking research by ImmuneWorks that identified the specific auto-antigen, or disease trigger, that causes IPF. That research has led to development of immune tolerance therapies which can arrest the progression of IPF. ImmuneWorks is also working on blood tests that can diagnose the disease as well as monitor a patient's progress during treatment.

ImmuneWorks recently received a \$300,000 investment from BioCrossroads' Indiana Seed Fund I, Indiana's only targeted life sciences seed stage investment fund. This funding will be used to support ImmuneWorks manufacturing process development research that will help in its submission of its Investigational New Drug (IND) Exemption to the U.S. Food and Drug Administration in 2008. FDA regulations require an IND submission before ImmuneWorks can begin its human clinical trials.

"We are pleased that BioCrossroads has confidence in our team and our science and have chosen to invest in ImmuneWorks," said Wade Lange, ImmuneWorks president and CEO. "BioCrossroads' investment process is very rigorous and their team has great depth in the biotech field that enables them to evaluate opportunities. The ImmuneWorks team is determined to bring an effective treatment for IPF patients to market and this investment will enable us to take great progress toward that goal."

"We continue to see unique discoveries coming out of research being done in Indiana," said David Johnson. "ImmuneWorks has put together an impressive team of researchers and executives who are making great strides in the treatment and therapy of lung

disease. There is a lot of promise in this unique discovery, with real potential to treat additional auto-immune disease patients as well.”

The ImmuneWorks immune tolerance therapy is based on knowledge of the specific auto-antigen responsible for IFP. An auto-antigen is a protein naturally occurring in the body; however, in autoimmune diseases, the body’s defense mechanism incorrectly identifies the auto-antigen as foreign. The body’s immune system then stimulates defense against it, which causes the disease. The goal of immune tolerance treatment, such as ImmuneWorks’ approach, is to train the human defense system that the auto-antigen isn’t foreign, so that the body doesn’t respond against it.

The company is preparing for clinical trials, expected to begin in 2008, to study the oral administration of the identified auto-antigen. ImmuneWorks is identifying other autoimmune diseases that could be treated with its product, as well as additional autoimmune diseases for which immune tolerance could be successfully deployed. Additionally, the company is conducting research on alternative ways to deliver drugs (e.g., intranasal, injection) to optimize the tolerance of auto-antigen administration.

About ImmuneWorks

ImmuneWorks (www.immuneworks.com) is a biotechnology company developing novel therapeutics and diagnostic tests for patients with autoimmune conditions. Founded in 2006 by Indiana University School of Medicine researchers on the principle of oral tolerance, ImmuneWorks’ brings an understanding of immunology and autoimmune diseases to create therapeutics that will make a difference in the lives of patients.

The company is initially developing treatments for serious pulmonary diseases such as idiopathic pulmonary fibrosis and prevention of lung transplant rejection. ImmuneWorks’ therapies are coupled with proprietary diagnostic tests designed to measure biomarkers that will identify patients who are likely to respond to oral tolerance treatment.

About BioCrossroads

BioCrossroads (www.biocrossroads.com) is Indiana’s initiative to grow the life sciences, a public-private collaboration that supports the region’s research and corporate strengths while encouraging new business development. BioCrossroads provides money and support to life sciences businesses, launches new life sciences businesses, expands collaboration and partnerships among Indiana’s life science institutions, expands science education and markets Indiana’s life sciences industry.

About the Indiana Seed Fund I

The \$6 million, return-driven Indiana Seed Fund was launched in June 2005 and is managed by BioCrossroads with funding coming from BioCrossroads, the Indiana Finance Authority and the Indiana Economic Development Corporation. The Seed Fund provides working capital in the range of \$50,000-\$500,000 to promising Indiana life sciences companies at the preliminary stages of operation.

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