

NEWS RELEASE



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Pervasis Therapeutics announces New Animal Study Results Supporting Vascugel™ in Promoting Healing after Blood Vessel Injury

Pioneer in regenerative cell-based therapies and devices announces new research results suggesting major role by biologically-active implants in successfully increasing lumen diameter in damaged blood vessels and preventing stenosis

Cambridge, Massachusetts - September 17, 2007 - Pervasis Therapeutics, Inc., a pioneer in regenerative cell-based therapies and devices, today announced the publication of new animal data for its Vascugel™ product under investigation to aid in healing, function, and remodeling of traumatized veins and arteries.

The study suggested that Vascugel™, a biologically active matrix of endothelial cells that is placed directly on damaged blood vessels to stimulate natural repair and regeneration, was instrumental in significantly increasing the diameter of injured vasculature, and reduced vascular narrowing, in tests utilizing a porcine model of arteriovenous (AV) grafts.

In August, Pervasis completed patient enrollment for two Phase II clinical trials of Vascugel™ in human subjects for end-stage renal disease (ESRD) who require arteriovenous access for hemodialysis. Initial safety results for Phase I clinical

trials of Vascugel™, announced in November, showed encouraging results, with all primary safety endpoints of the study achieved.

Dr. Helen Nugent, Co-Founder and Vice President of Research and Development, of Pervasis Therapeutics, said “Vascular access dysfunction is a major problem in hemodialysis patients. Arteriovenous grafts have a patency rate of only 50 percent at one year. The goal of this animal study was to examine the role of perivascular endothelial implants in venous remodeling and stenosis. The results of this published research strongly suggest that Vascugel™ played a major role in significantly increasing venous lumen gain, and reduced stenosis by 81% in porcine model of AV grafts.”

Steve Bollinger, President of Pervasis Therapeutics, said, “The results of the animal study are extremely encouraging, and alongside the successful initial safety results of our Phase I study for Vascugel™, indicate that biologically active treatments for repairing blood vessels are a very promising therapeutic pathway. We look forward to similar positive data as we continue to advance Vascugel™ through human clinical trials.”

The publication, titled, “*Adventitial Endothelial Implants Reduce Matrix Metalloproteinase-2 Expression and Increase Luminal Diameter in Porcine Arteriovenous Grafts*,” will be published in the September issue of the Journal of Vascular Surgery. Data from the study have also been presented at the American Association of Anatomists Annual Meeting in Washington, DC and at the ASAIO Annual Innovation Conference “Biologic Therapy of Uremia”.

Pervasis is conducting its “V-HEALTH” (Vascular intimal Hyperplasia: Extending Arterial and venous patency, Limiting vascular Trauma, and inhibiting Hyperplasia while re-establishing vascular health) Phase II clinical trials in patients with ESRD that require a permanent AV access for hemodialysis. Vascugel™ is the first therapy being developed to simultaneously improve outcomes for the two primary forms of surgical arteriovenous access, namely, AV grafts and AV fistulas. There are over 300,000 patients undergoing hemodialysis in the United States today, with an estimated annual growth rate of nearly 5% for new AV graft and AV fistula procedures performed each year.

About Vascugel™

Vascugel™ is a novel allogeneic cell therapy product for enhancing repair and preventing clinical failure of vascular surgery and intervention. Vascugel™ builds on concepts of tissue engineering to enable implantation of allogeneic endothelial cells in a controlled state. When wrapped around an injured blood vessel, Vascugel™ endothelial cells provide growth regulatory compounds to the underlying blood vessel, which may promote a natural healing process and prevent excessive scar tissue formation, inflammation and thrombosis.

About Vascular Access Failure

Vascular access failure is a major complication in providing care to patients on hemodialysis to treat end-stage renal disease (ESRD). The prevalent ESRD population in the U.S. is expected to grow to 1.3 million by 2030. According to Medicare reports, total ESRD costs reached \$20.1 billion in 2004 - with total ESRD costs reaching \$32.5 billion from all sources.

According to the United States Renal Data System (USRDS), the number of ESRD patients requiring hemodialysis in 2004 reached over 300,000. According to Medicare data, vascular access complications account for up to 25 percent of all hemodialysis patient admissions, leading to about \$1.5 billion in annual Medicare expenditures.

About Pervasis Therapeutics, Inc.

Pervasis Therapeutics, Inc. is a pioneer in regenerative cell-based therapies and devices. Pervasis is currently developing technologies to restore natural blood flow to critical organs. The company's flagship product, Vascugel™, is a cell-based therapeutic gel currently being developed to help reverse acute vascular injury.

Pervasis' investors include Polaris Venture Partners, Flagship Ventures and Highland Capital Partners. The company was founded by Elazer Edelman, Robert Langer, Joseph Vacanti, and Helen Nugent.

For more information, please visit www.pervasistx.com.

This news release contains certain forward-looking statements that involve risks and uncertainties. Such statements are only predictions and the company's actual results may differ materially from those anticipated in these forward-looking statements. Factors that may cause such differences include the timing of clinical trials, the risk that products that appeared promising in early research and clinical trials do not demonstrate safety or efficacy in clinical trials and the risk that the company will not obtain approval to market its products.