

NEWS RELEASE



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Pervasis Therapeutics Closes Additional \$9.75 Million in Financing

Pioneer in regenerative cell-based therapies and devices announces additional funding in support of Vascugel® blood vessel repair therapeutic clinical trials and research into additional vascular and non-vascular disease applications

Cambridge, Massachusetts - January 15, 2008 - Pervasis Therapeutics, Inc., a pioneer in regenerative cell-based therapies and devices, today announced that it has secured \$9.75 million in additional financing through Flagship Venture Partners, Polaris Venture Partners, Highland Capital Partners, and Musket Research Associates.

The new investment will support further development of Pervasis' innovative Vascugel® blood vessel repair therapeutic, presently in two Phase II clinical trials, as well as continuing research into expanding the product's projected uses into additional vascular and non-vascular applications, including cardiovascular and other indications.

The additional funding follows a number of key milestones by Pervasis and Vascugel® in recent months. In September, Pervasis published a major animal data study on Vascugel® strongly supporting its role in promoting healing after blood vessel injury. In August, the company completed patient enrollment for its two Phase II clinical trials of Vascugel® in human subjects with End-Stage Renal Disease (ESRD) who require arteriovenous fistula (AVF) and arteriovenous graft (AVG) access for hemodialysis. Initial safety results for Phase I clinical

trials of Vascugel®, announced in November 2006, showed encouraging results, with all primary safety endpoints of the study achieved.

Stephen Bollinger, President of Pervasis Therapeutics, said, “We are very pleased in the vote of confidence by our longtime investors that this new funding round represents to Pervasis. The additional financing will help Pervasis organically grow our pipeline of Vascugel®-related therapies to address under-served medical needs in vascular and non-vascular healing, and bring new products for new disease states online, particularly in cardiovascular applications.”

Dr. Robert Langer, Institute Professor of the Massachusetts Institute of Technology said, “Pervasis is innovating a new approach to vascular healing that goes far beyond the current standard of care. Vascugel® takes advantage of the in-built healing capabilities of the body, and we believe that cell-based mechanisms will have a strong, positive impact on patient care in the near future.”

Dr. Elazer Edelman, Professor of Health Sciences and Technology at MIT, and Professor of Medicine at Harvard Medical School, said, “Utilizing a cell-based matrix is an elegant solution to the increasingly complex biological problem of keeping blood vessels open and functional while enabling them to heal themselves through external stimulation. As the clinical community has learned in recent years, complex solutions often create new problems in vascular healing. Pervasis’ approach is to help the body leverage its own tools to heal itself, using natural healing factors.”

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 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.

About Flagship Ventures

Flagship Ventures is a leading venture capital firm focused on creating, financing, and building innovative companies. Founded in 2000, Flagship operates from its offices at Kendall Square in Cambridge, MA. With an active portfolio of over 40 companies, the firm's strategy is to balance its investments across three principal business sectors: Life Science / Diagnostics Tools, Energy & Technology Platforms, and Therapeutics. Through its unique venture creation and seed investing programs, Flagship actively participates in developing new ventures that are commercializing many of the leading breakthroughs of our times. Prior to its founding, Flagship's principals were involved as founders or investors in over 100 firms including: Aspect Medical, Celera Genomics, ChemGenics Pharmaceuticals, Color Kinetics, Cytyc, DataSage, IDEXX, PerSeptive Biosystems, and TripAdvisor. For more information, visit www.flagshipventures.com.

About Highland Capital Partners

Highland Capital Partners was founded with the mission of helping great people build great companies. Since its inception in 1988, the firm has taken a sector-focused approach to investing in exceptional healthcare, information technology, communications and consumer companies. With over \$3 billion of committed capital and offices in Boston, Silicon Valley, Shanghai and Geneva, Highland has invested in and worked to create such firms as Archemix, Ask Jeeves, Avid Technology, CheckFree, Conor Medsystems, EXACT Sciences, Helicos BioSciences, Lycos, MapQuest, Mitotix, Odyssey Healthcare, Origin MedSystems, Renal Treatment Centers, Sybase, US Labs and VistaPrint. For more information, visit Highland's web site at www.hcp.com.

About Polaris Venture Partners

A national venture capital firm with over \$3 billion under management, Polaris invests in seed, early stage and growth equity businesses in the technology, life science, digital media, enertech and consumer sectors.

Through a philosophy of lead investing and active, long-term partnering with entrepreneurs and management teams, Polaris has helped a number of companies achieve outstanding success. Among them are: Accordant Health Services, Acusphere, Advanced Inhalation Research (AIR), Akamai Technologies, Allaire Corporation, Alnylam Pharmaceuticals, American Superconductor, Archivas, Aspect Medical Systems, Avici Systems, Centra Software, Classifieds2000, Cubist Pharmaceuticals, Cushcraft Corporation, deCODE genetics, Exchange.com, GlycoFi, Matrics, Momenta Pharmaceuticals, Paradigm Genetics, Powersoft, Solidworks, and TransForm Pharmaceuticals.

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.