

HemaQuest Pharmaceuticals Completes Patient Enrollment in Phase 2 Clinical Study of HQK-1001 in Patients With Sickle Cell Disease

SAN DIEGO, CA – September 12, 2011 - HemaQuest Pharmaceuticals, Inc. (HemaQuest), a biotechnology company focused on developing small molecule therapeutics to treat hemoglobin disorders, announced today that it has completed enrollment in a randomized multi-dose Phase 2 study of HQK-1001 in patients with sickle cell disease. The study, initiated in April of this year, enrolled a total of 52 patients in clinical sites in the US, Canada, Jamaica, Egypt and Lebanon, and is designed to evaluate the safety and tolerability of HQK-1001. Secondary objectives include the effect on fetal hemoglobin and sickle cell crises. HemaQuest expects interim results from the study in late 2011 and final results in the first quarter of 2012.

“To complete enrollment in just five months is a significant accomplishment and a credit to everyone involved in the trial,” said HemaQuest Chief Medical Officer Richard G. Ghalie, MD. “We believe that the rapid enrollment demonstrates the need for, as well as the excitement among physicians treating sickle cell disease worldwide about, a potential new therapy for this devastating disease which affects underserved populations around the world.”

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 has been shown to reduce the frequency of pain crises and hospitalizations of patients with sickle cell disease. 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. 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

Sickle cell disease is a genetic blood disorder that affects approximately 110,000 patients in the U.S. and Europe and 250,000 in the Middle East. Sickle cell disease 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.

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 proprietary multi-drug therapeutic approach for treating viral-associated malignancies, with a primary focus on Epstein-Barr virus associated lymphomas. 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