

NEWS RELEASE

On Demand Therapeutics, Inc. Reveals Breakthrough Drug Delivery Technology

Powerful joint venture announced to accelerate development of novel drug delivery platform

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Menlo Park, California – On Demand Therapeutics, Inc. (ODTx) today announced plans to develop the first multi-reservoir implantable device for laser activated, on demand release of drug therapies to the back of the eye. The device was discussed by Professor Robert Langer, ScD in the Keynote Lecture at the Association for Research in Vision and Ophthalmology (ARVO) Meeting on May 2nd in Fort Lauderdale. Professor Langer of the Massachusetts Institute of Technology stated the ODTx technology is a revolutionary new platform for drug delivery to the eye.

ODTx was formed in May 2009 as a unique joint venture between MicroCHIPS, a developer of intelligent implant systems, and InterWest Partners, a leading diversified venture capital firm. ODTx leverages the intellectual property and technical expertise of MicroCHIPS combined with the ophthalmic domain expertise and financial resources of InterWest. The company has an exclusive, worldwide license to 60 issued patents and numerous pending applications related to ophthalmic on demand drug delivery and related technologies. ODTx has now completed three *in vivo* proof of concept studies demonstrating the implantation of the device and the release of both small molecule and protein drugs. John T. Santini, Jr., PhD, co-founder and prior CEO of MicroCHIPS, serves as president and CEO for the new company. Dr. Santini states that “The company is now considering relationships with pharmaceutical and medical device companies interested in developing truly differentiated ophthalmic products based on this innovative drug delivery platform.”

The ODTx device is a biocompatible, non-resorbable injectable rod comprised of multiple discrete reservoirs designed to release, on demand, specific drugs in clinically optimized doses. Each reservoir can safely store small or large molecule drugs in the eye until release is initiated using a standard ophthalmic laser during a simple, routine office-based procedure. Typical retinal drug delivery procedures require monthly intravitreal needle injections. Current implantable devices are largely focused on steroids and deliver sustained release formulations which have no mechanism for control of dosing, leading to significant side effects such as glaucoma or cataracts. In contrast, once the ODTx device is implanted during an in-office procedure, the ophthalmologist can control drug delivery by focusing a laser beam on one of multiple sealed reservoirs. Administering a laser pulse creates an opening in the device that releases the drug into the eye. Unactivated reservoirs remain intact until those doses are indicated. There is no need for monthly injections and the patient is easily maintained through regular follow-up visits and subsequent non-invasive laser activation procedures.

According to Gil Kliman, MD, managing director at InterWest, “The need for sustainable and interactive therapies is critical to effectively treat severe, sight threatening diseases in the back of the eye. In the US alone, almost 2 million patients suffer from age-related macular degeneration and as our population ages, the demand for AMD and other retinal therapies will grow dramatically. The current standard of care of monthly intravitreal injections is unsustainable given the treatment burdens and safety issues for patients and doctors. ODTx has the potential to revolutionize the standard of care by providing physician controlled sustained drug delivery through a non-invasive office-based therapy.”

Dr. Kliman serves on the Board of ODTx and led InterWest’s investment in the company. A previously practicing ophthalmologist, he is a pioneering ophthalmology investor with substantial experience in medical devices.

About InterWest

For more than 30 years InterWest Partners (www.interwest.com) has partnered with exceptional entrepreneurs to build winning technology and life sciences companies. With more than 200 years of combined operating and investing experience, InterWest’s team has raised \$2.8B, completed more than 70 IPOs, and participated in

nearly 60 upside acquisitions. Currently investing InterWest X, a \$650M fund, the firm continues to believe that providing capital is just the beginning of a long-term collaboration with entrepreneurs to turn their vision into a thriving company.

About MicroCHIPS

MicroCHIPS, Inc. (www.mchips.com) is pioneering intelligent implanted devices designed to improve the health of millions of people with critical conditions that require careful monitoring and precise therapy. First developed at the Massachusetts Institute of Technology, MicroCHIPS' technologies use microreservoir arrays to store and protect chemical sensors or potent drugs within the body for extended periods of time. The reservoir arrays are compatible with preprogrammed microprocessors, wireless communications and sensor feedback loops to provide precise, dynamic control of drug release and in-body biochemical monitoring.

Contact Name: John T. Santini, Jr., Ph.D., president and CEO, On Demand Therapeutics, Inc.
Email address: jsantini@ondemandtx.com