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PHRIXUS PHARMACEUTICALS, INC. ANNOUNCES ORPHAN DRUG DESIGNATION

Carmeseal™ was granted orphan-drug designation by the FDA in January 2010

ANN ARBOR, Mich. (January 2010) – Thomas A. Collet, Chief Executive Officer of Phrixus, stated, "The Orphan Drug designation is important as we move forward in our development of Carmeseal."

Orphan drug designation is granted by the FDA to novel drugs that treat rare diseases or conditions affecting fewer than 200,000 patients in the U.S. The designation provides the drug developer, in this case Phrixus, with a seven-year period of U.S. marketing exclusivity if the drug is the first of its type approved for the specified indication or if it demonstrates superior safety, efficacy, or a major contribution to patient care versus another drug of its type previously granted the designation for the same indication, as well as with tax credits for clinical research costs, the ability to apply for annual grant funding, clinical research trial design assistance and waiver of Prescription Drug User Fee Act (PDUFA) filing fees.

About Phrixus Pharmaceuticals, Inc.
Phrixus Pharmaceuticals is developing Carmeseal™ for DMD and for acute decompensated heart failure. For more information about Phrixus Pharmaceuticals, please visit www.phrixuspharmaceuticals.com.

Phrixus Pharmaceuticals, Inc. Forward-Looking Statement Disclaimer
This announcement may contain, in addition to historical information, certain forward-looking statements that involve risks and uncertainties. Such statements reflect management's current views and are based on certain assumptions. Actual results could differ materially from those currently anticipated as a result of a number of factors. The company is developing several products for potential future marketing. There can be no assurance that such development efforts will succeed, that such products will receive required regulatory clearance or that, even if such regulatory clearance were received, such products would ultimately achieve commercial success.

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