Esperance Pharmaceuticals Closes $9 Million Series A Funding

(BATON ROUGE, La. — Oct. 31, 2006) Esperance Pharmaceuticals Inc., a start-up company developing targeted and selective anticancer agents, has secured a $9 million Series A financing that will help the company move its lead compound toward early clinical testing.

The Louisiana Fund I LP (Baton Rouge, La.) founded Esperance on technology discovered by researchers at Louisiana State University, the LSU AgCenter and the LSU Pennington Biomedical Research Center.

Co-lead investors with Louisiana Fund I are Themelios Ventures Partners LP (Shreveport, La.) and Research Corporation Technologies Inc. (Tucson, Ariz.).

Esperance is developing a unique, targeted, anticancer fusion protein that is selectively toxic to cancer cells. Targeting occurs through the designed ligand component that binds singular extracellular receptors on the cancer cell. The potent cytolytic peptide portion of the drug kills the cancer cell. Initial experiments in therapeutic animal models of human cancer showed regression of well-established tumors.

Esperance will use the Series A funding to identify a lead compound, establish an assay to select candidate patients and conduct a proof-of-concept study in humans with cancer.

“Louisiana Fund I has followed the development of this technology at LSU and we are very excited about the potential of therapeutic drugs for cancer that may come from this technology,” said Joseph F. Lovett, managing general partner of Louisiana Fund I. “We are delighted to have Esperance located in Baton Rouge. Also, we are looking forward to working with Themelios Venture Partners and Research Corporation Technologies, who are quite experienced at investing in the biomedical area.”

“Like most scientific breakthroughs, this technology came about initially as a laboratory surprise,” said Ross P. Barrett, managing partner of Themelios Venture Partners. “Because of the hard work, innovation and scientific collaboration throughout the LSU System of researchers, we feel there is great potential in this novel approach to treating cancer.”

"This technology, if successful, holds the potential of one day relieving the suffering of millions of cancer victims," said Dr. William L. Jenkins, president of the LSU System. "The promise of anticancer treatments based on this research is both dazzling and exciting for our scientists and the entire LSU community.”

As part of the financing, Lovett, Barrett and RCT’s Chad Souvignier, Ph.D., join the Esperance board of directors.

The Louisiana Fund I (www.louisianafund.com) is an early-stage venture capital fund focused on the identification of investment opportunities emanating from research universities and other organizations in

the state of Louisiana. LFI targets companies developing commercially promising technologies with an emphasis on those originating in Louisiana universities, Louisiana companies and companies relocating to Louisiana. Areas of interest include pharmaceuticals, biotechnology, agritechnology, information technology and other high technology opportunities that offer venture capital returns.

Themelios Venture Partners is one of two investment funds managed by VCE Capital Partners LLC (www.vcecapital.com), a Southeast U.S.-based venture capital firm that provides equity capital to early- and expansion-stage companies with proprietary technology platforms or unique products addressing large markets. TVP invests in both life sciences technologies originating from the Pennington Biomedical Research Center in Baton Rouge, and in companies outside of the Pennington Center that run clinical trials or conduct research collaborations with the center.

Research Corporation Technologies (www.rctech.com) is a technology investment and management company that provides early-stage funding and development for promising biomedical companies and technologies. RCT focuses on technology investments with origins from universities and research institutions worldwide. RCT has assets of more than $300 million to advance technology development through venture investment, partnerships and special licensing programs. The RCT BioVentures program provides venture capital to companies whose technologies have the potential to become significant biomedical products.