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Nanotherapeutics, Inc. Appoints Mento A. "Chuck" Sponis Chairman and CEO

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ALACHUA, Fla.--(BUSINESS WIRE)--Jan. 31, 2006--Nanotherapeutics, Inc.

Company also announces:

-- New U.S. Patent Issued

-- \$5.6 Million in Funding from the U.S. Navy and National Institutes of Health (NIH)

Nanotherapeutics, Inc., a privately held corporation focused on the development and application of proprietary drug delivery systems, announced today the appointment of Mento A. "Chuck" Sponis as Chairman and CEO to lead the company into its next phase of growth.

"Chuck's background represents the ideal complement of skills and experience that we need at this point in Nanotherapeutics' growth," explained James D. Talton, co-founder of the company and President. "He's very experienced at running early-stage development companies and small companies, collaborating with large companies, and securing the investments it takes to generate success."

Prior to joining Nanotherapeutics, Mr. Sponis was President and CEO of Oragenics, Inc., a company he brought public and listed on the AMEX in 2003. Mr. Sponis' career is highlighted by his executive leadership in positions that include CEO and President of U.S. Biomaterials, the leading provider of Bioglass(TM) products for dental and periodontal applications, and as CEO of four other biotechnology companies. He earned a J.D. with honors from George Washington University Law School and a bachelor's degree from Princeton University.

In discussing his reasons for joining Nanotherapeutics, Mr. Sponis cited the potential of the company's technology in drug delivery systems as a key reason. "I believe Nanotherapeutics' technology is unique and a critical component of improving the effectiveness of drugs in the body. Traditional drug delivery systems fall short in many ways - from problems of absorption to painful injections of both small molecule and biologic compounds. The challenges confronting the industry include how to effectively and painlessly deliver the new biologics and still improve on the effectiveness of current therapies. We're standing on the edge of a powerful new era in drug development and Nanotherapeutics has the potential to be one of the upfront leaders in this new field."

The Company has made new discoveries in the area of nanometer-scale particle delivery and has developed three proprietary drug delivery technologies for oral, inhaled, nasal, and injectable delivery systems for both new and existing compounds. Nanotherapeutics' technologies are directed to improving the release rate and absorption of the drug and its

bioavailability, and making the drug more effective and long-lasting.

In January 2006 the U.S. Patent and Trademark Office issued the company U.S. Patent No. 6,984,404 covering methods for preparing encapsulated pharmaceutical formulations. This patent adds to the company's growing intellectual property portfolio that includes two issued and six pending U.S. patents as well as worldwide applications for broad process, apparatus, composition-of-matter, and application claims patents.

Nanotherapeutics has recently received contracts from the U.S. Navy to develop a novel sensor system and from the National Institute on Drug Abuse to develop an oral nanoparticle medication to treat opiate addiction. Additionally, in 2005 Nanotherapeutics received funding from The National Institute of Allergy and Infectious Diseases (NIAID) as part of the National Institutes of Health (NIH) research program on Medical Countermeasures Against Radiological and Nuclear Threats, as well as Project Bioshield. These two Counter-terrorism grants bring the company's total funding to date to \$5.6 million.

About Nanotherapeutics, Inc.

Nanotherapeutics, a privately held corporation located in Florida, is a provider of specialized drug delivery systems that use the company's discoveries in nanotechnology to develop novel drug therapies or improved formulations for existing therapies. The company has developed three proprietary drug delivery technologies, NanoMILL/NanoQUAD(TM), NanoDRY(TM), and NanoCOAT(TM), which can be applied to new or existing compounds. Nanotherapeutics' technologies are aimed at making oral, injectable, nasal, and inhaled pharmaceutical products that are both more effective and more patient friendly.

Most therapies fail at getting the right amount of drug to the right tissue or organ and keeping it there. Nanotherapeutics' proprietary technology is directed to overcoming the current limitations of most delivery systems. The company is working on producing new once-a-day delivery systems in therapeutic areas of unmet critical need, such as improved breathing for asthmatic patients that can last all day; relief from migraine headaches in minutes instead of hours; and more effective antibiotics with less nausea to treat a local infection with only one hundredth of the normal dose. Nanotherapeutics is also partnering to co-develop pharmaceutical and biomedical products.

Contacts

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