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FOR IMMEDIATE RELEASE

**NUCLEONICS ADDS ADDITIONAL \$8.3 MILLION TO SERIES B FINANCING,
BRINGING TOTAL RAISED THIS ROUND TO \$49.2 MILLION**

Chairman of the Board Elected; New Board Member Added

MALVERN, PA (June 1, 2004): Nucleonics, Inc., a biotechnology company focused on the development of novel RNA interference-based (RNAi) therapeutics, today announced that the company has raised an additional \$8.3 million, bringing the total raised in its Series B venture financing to \$49.2 million. New investor Quaker BioVentures participated in the second close, as did previous investors New Enterprise Associates (NEA) and S.R. One, Limited.

The company additionally announced that James Barrett, a general partner at New Enterprise Associates, has been elected chairman of the Nucleonics board of directors, and that Giovanni A. Ferrara, a director in the Venture Group at Burrill & Company has joined the board.

“Nucleonics’ unique strategy for developing RNAi therapeutics gives them a significant advantage in this exciting and emerging field,” said James Barrett. “Their expressed interfering RNA platform represents an exceptional and compelling approach to RNAi therapeutics that is essential for the treatment of viral infections as well as other diseases. NEA is pleased to partner with their impressive and talented scientific and management teams, and we look forward to the success of this company.”

“We are very pleased to have the support and backing of these high quality investors whose participation in this significant financing helps to validate our company’s technology and strategies for product development,” said Robert J. Towarnicki, Nucleonics’ president and chief executive officer. “We expect the proceeds of this financing to support the development of our product candidate for Hepatitis B (HBV) infection through Phase II clinical testing, as well as to further the development of our technology overall.” Mr. Towarnicki noted that Nucleonics scientists had made significant progress towards finalizing the design of the eiRNA construct that will be used in human clinical trials in 2005.

About Expressed Interfering RNA (eiRNA)

Post-transcriptional gene silencing, also known as RNA interference or RNAi, is a phenomenon in which genes are silenced in a sequence-specific manner through targeted mRNA (messenger RNA) degradation. Researchers believe RNAi may offer potential as a novel way to silence genes involved in disease, including genes encoded by viruses such as Hepatitis B, Hepatitis C and HIV, as well as genes involved in the establishment of inflammatory diseases and cancer.

Nucleonics employs an expressed interfering RNA (eiRNA) approach, whereby scientists insert plasmid DNA coding for relevant double-stranded RNA (dsRNA) into targeted cells, letting the cells produce and deliver specific dsRNA sequences. Cellular mechanisms then cleave the dsRNA into specifically encoded siRNAs (short interfering RNA), which silence the targeted genes. Nucleonics researchers have shown the ability of long or short dsRNA strands produced in this way to stably silence genes, including Hepatitis B and HIV, in relevant cell lines. Moreover, they have silenced multiple genes, as well as HBV replication, in adult mice without triggering an interferon response. The plasmid DNA approach used by Nucleonics for expression of dsRNA has demonstrated human safety in over 500 patients to date, as part of research in the field of DNA-based vaccines. Nucleonics is initially directing its technology to the development of eiRNA therapeutics for Hepatitis B virus and Hepatitis C virus infections.

About Nucleonics, Inc.

Nucleonics, founded in January 2001, is an emerging biotechnology company focused on the development of novel RNA interference-based therapeutics for viral and other diseases. Nucleonics is headquartered in Malvern, Pennsylvania and is privately owned.

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