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For Immediate Release

Robert Towarnicki Named Chief Executive Officer of Nucleonics -- Private Company Focused on Development of RNA Interference-Based Therapeutics

MALVERN, PA (August 5, 2003): Nucleonics, Inc., a privately held developer of novel therapies based on expressed, interfering RNA (eiRNA), today announced the appointment of Robert J. Towarnicki as president and chief executive officer. Mr. Towarnicki was president and CEO of Cell Pathways, Inc. prior to that company's merger in June 2003 with OSI Pharmaceuticals, Inc.

"Robert Towarnicki has shown considerable skill over the years in building emerging companies, first at Integra LifeSciences and then at Cell Pathways," said Maxine Gowen, Ph.D., vice president at S.R. One, Ltd., and member of the Nucleonics board of directors. "His experience should serve Nucleonics well as the company advances over the next 18 months from preclinical development to the clinical testing of its novel eiRNA-based therapeutics for viral and other diseases. We are very pleased to welcome Bob to the Nucleonics team."

"I am very excited about joining Nucleonics, which I believe has the potential to be the first company to bring RNA interference-based therapeutics to the clinic," said Robert Towarnicki. "Nucleonics' proprietary combination of expressed interfering RNA (eiRNA) and a proven and patented delivery strategy that has already been tested safely in humans as part of DNA vaccine research provides a rapid path to a new class of drugs. Nucleonics is initially targeting viral diseases of unmet need, specifically chronic hepatitis B and hepatitis C infections. However, this technology also offers opportunities to expand over time to a broad range of diseases, including inflammatory and autoimmune diseases as well as cancer."

During Mr. Towarnicki's six-year tenure at Cell Pathways, he led the growth of the company from a virtual organization to a fully integrated, publicly traded, emerging pharmaceutical company with two products in advanced clinical development. Prior to joining Cell Pathways, he was president and chief operating officer of Integra LifeSciences, which he built from a 12 person R&D organization into a publicly traded, fully integrated medical devices company. His career prior to Integra included management roles at such major pharmaceutical companies as Collagen Corporation, Pfizer Pharmaceuticals and Merck & Company.

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Nucleonics: Expressed interfering RNA

RNA interference is a process whereby cells use pieces of double-stranded RNA (dsRNA) to prevent gene expression in a sequence-dependant manner. Researchers have shown that such gene silencing can be induced *in vivo*, in mammalian models. As a result, experts believe that RNA interference 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, or genes involved in the establishment of cancer and inflammatory diseases.

While some researchers have sought to deliver dsRNA sequences themselves as therapeutics, such strategies face significant challenges relating to manufacturing, delivery, and the triggering of an inflammatory interferon response that can limit effectiveness or even cause death in treated animals. Nucleonics, in contrast, inserts plasmid DNA coding for dsRNA into cells, letting the cells themselves carry out the dsRNA production and delivery process. Research has shown the ability of long or short dsRNA strands produced this way to stably silence target genes, including Hepatitis B and HIV, in relevant human cell lines. Moreover, Nucleonics researchers have silenced multiple genes in adult mice utilizing its proprietary delivery technology without triggering an interferon response. The company's patented plasmid DNA approach, developed by Nucleonics' co-founders and scientists C. Satishchandran, Ph.D. and Catherine Pachuk, Ph.D., has additionally demonstrated human safety in over 500 patients to date as part of research in the field of DNA-based vaccines.

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. The company believes its proprietary technology and delivery systems for expressed interference RNA (eiRNA) offers advantages over other RNA interference approaches in terms of safety, efficacy and manufacturing costs that will enable Nucleonics to become a leader in this emerging field. The company is headquartered in Malvern, Pennsylvania and is privately owned.

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