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FOR IMMEDIATE RELEASE

NUCLEONICS LICENSES KEY PROMOTER TECHNOLOGY FOR USE IN RNAi APPLICATIONS FROM THE UNIVERSITY OF CALIFORNIA

MALVERN, PA (June 3, 2004): Nucleonics, Inc., a biotechnology company focused on the development of novel RNA interference-based (RNAi) therapeutics, today announced that the company has acquired an exclusive license from the University of California to intellectual property covering a class of promoters that many scientists consider the “gold standard” for transcribing expressed interfering RNAs.

Specifically, the license gives Nucleonics exclusive worldwide rights to the use of all eukaryotic RNA Pol III promoters, including human promoters, within the field of expressed interfering RNA for any human therapeutic indication. Moreover, the license covers the delivery of these promoters by either plasmid DNA or viral vectors. Through this license, Nucleonics has the rights to sublicense this technology to other interested parties.

“Gaining exclusive rights to this technology is invaluable for further strengthening our company’s already extensive portfolio of intellectual property covering expressed interfering RNA and its use in the treatment of disease,” said Robert J. Towarnicki, president and chief executive officer of Nucleonics, Inc.

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

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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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