



Phase Bioscience Announces Series B Investment from Johnson & Johnson Development Corporation, Fletcher Spaght Ventures and Hatteras Venture Partners

Durham, NC, October 24, 2007—Phase Bioscience, Inc., a development stage biotechnology company, announced today that it has successfully raised an additional \$5.4 million in Series B financing, bringing the total Series B round to \$6.6 million. New investor, Fletcher Spaght Ventures (FSV) co-led the round, joining Series B lead investor, Johnson & Johnson Development Corporation (JJDC), which closed on a first tranche of the financing in December 2006 and invested further in this closing. Founding investor, Hatteras Venture Partners (HVP), reinvested in this Series B round from its new fund. Dr. Guy Fish, Vice President, FSV commented that “biopharmaceutical companies highly value the capabilities of PhaseBio’s innovations.”

The company’s technology, in part licensed from Duke University, has the potential to significantly reduce the costs and timelines associated with the purification of therapeutic proteins. In addition, the technology will greatly improve the delivery characteristics of pharmaceutical products. “This is a significant milestone for the company and provides the financial resources needed to continue the development and commercialization of the company’s core technologies” said Nick Ellis, PhD, President and CEO of Phase Bioscience, Inc.

In conjunction with the financing, Guy Fish, MD, Vice President, FSV and Doug Reed, MD, General Partner, HVP join the Phase Bioscience Board of Directors. “Our new Directors bring invaluable experiences and perspectives to help lead PhaseBio through our next stages of growth” said Clay Thorp, Chairman of Phase Bioscience and HVP General Partner. Dr. Fish has over twenty years of experience in the life sciences, healthcare and biotechnology sectors. He serves as a Vice President in the Healthcare Practice Group at Fletcher Spaght, the firm’s consulting business. Previously, Dr. Fish held an operating position at Collagenesis, was a senior member of The Boston Consulting Group and served as a securities analyst in the medical devices group of Sanford Bernstein. He holds an MD degree from the Yale School of Medicine and is board certified in Internal Medicine. He received an MBA from the Yale School of Management and an AB degree in Biochemistry from Harvard College. Dr. Reed has had a successful thirteen year record in the venture capital business at the Vector Fund and SR One. In addition, Dr. Reed has held business development positions at Geltex and NPS Pharmaceuticals. He practiced as a radiologist at Yale and the University of Washington and received an MBA from The Wharton School of Business.

About Fletcher Spaght Ventures

Fletcher Spaght Ventures (FSV) invests in high potential markets/companies identified by Fletcher Spaght, Inc.'s practice groups in High Technology, Healthcare and Corporate Growth. Fletcher Spaght, Inc. (FSI) was founded in 1983. The firm provides strategy and financing assistance to new ventures, risk capital investors and large enterprises with emerging technologies or other growth opportunities. FSI develops market research, competitive analysis and financial analysis to advise clients on the commercial potential of new ventures and the options for growing, funding or acquiring new businesses.

About Hatteras Venture Partners

Hatteras Venture Partners is a venture capital firm based in Research Triangle Park, NC, with a focus on biopharmaceuticals, medical devices, diagnostics and related opportunities in human medicine. Founded in 2000, the firm consists of an experienced team with a broad and complementary skill set that is particularly relevant to building successful new biomedical companies. The Hatteras Venture Partners team brings operational experience, a successful track record and a proven ability to enhance the value of the companies in which it invests. With three funds, the firm has more than \$120 million under management.

About Johnson & Johnson Development Corporation

Organized in 1973, Johnson & Johnson Development Corporation (JJDC) is the venture capital subsidiary of Johnson & Johnson. JJDC makes private equity investments in venture funded health care companies. Portfolio companies include those in the fields of pharmaceuticals, biotechnology, medical devices, diagnostics and consumer products. JJDC also leads and manages internal investments in selected promising technologies.

About Phase Bioscience, Inc.

Phase Bioscience, Inc. (PhaseBio), located in Research Triangle Park, NC, is a privately held biopharmaceutical company molded around an innovative set of technologies that provide new solutions to delivery, production and purification of both protein-based therapeutics and small molecules. Our proprietary Elastin-Like Peptide (ELP) technology enables the Company and its partners to efficiently express and purify proteins and dramatically improve their pharmaceutical attributes. The Company's deltaPhase™ process for biologic purification eliminates expensive chromatography and ELP mediated drug delivery can turn a good drug into a great one.

Contact:

June Edgerton

Office Manager

june.edgerton@phasebio.com

(919) 544 6177

4134 S. Alston Ave. Suite 101 Durham, NC 27713