

Pathway Therapeutics Completes \$4.5 Million Financing for Novel PI3K Inhibitor Portfolio

David Matthews, PhD, and Marie O'Farrell, PhD, appointed to Pathway's management team.

San Francisco, CA– August 10, 2010. Pathway Therapeutics, a drug discovery and development company founded in New Zealand, announced that it has met an important drug development milestone triggering a US\$4.5 million fourth tranche of its Series A private equity placement. The financing was led by GBS Venture Partners, Australia and CM Capital Investments, Australia with co-investors the Breast Cancer Research Trust, the Trans-Tasman Commercialisation Fund, and the New Zealand Venture Investment Firm.

The funding will be used to advance Pathway Therapeutics' lead dual inhibitor of PI3 kinase alpha and mTOR (PWT33597) to the clinic in 2011, and to support ongoing discovery efforts in isozyme selective and irreversible PI3K inhibitors. PI3 kinase and mTOR are key enzymes involved in controlling cell growth and are of particular interest as potential cancer and inflammation therapeutic targets.

"We are very excited to reach this milestone. The contributions of the founding Auckland team led by Professors Bill Denny and Peter Shepherd were critical in the selection of the lead compound PWT33597, now moving into preclinical development," remarked Mark Harvey, Pathway's chairman of the board.

In addition to achieving this important drug development milestone, the company has re-incorporated as Pathway Therapeutics, Inc. in the United States, headquartered in San Francisco, California.

Dr. David Matthews has joined the company as the Vice President of Drug Discovery and Exploratory Development. Dr. Matthews was previously at Exelixis for 10 years, most recently as the Executive Director, Oncology Discovery, where he was responsible for establishing scientific guidance and ongoing strategic planning for oncology drug discovery. His work there contributed to the discovery and clinical advancement of ten oncology development candidates, including direct experience with PI3K and mTOR inhibitors. "We are delighted with the appointment of Dr. Matthews, who has a terrific oncology small molecule drug discovery and development experience that will be valuable as we advance our programs," said Dr. Julie Cherrington, Pathway's CEO.

Dr. Marie O'Farrell has also recently joined Pathway Therapeutics as the Executive Director of Translational Medicine. Dr. O'Farrell has a 13 year history in the biotechnology industry, with wide therapeutic area experience including oncology, diabetes, virology, stem cells, and inflammation; as well as broad functional expertise across preclinical and clinical development, regulatory and project management. Importantly, Dr. O'Farrell established pioneering translational medicine approaches at SUGEN which accelerated the clinical development and ultimate regulatory approval of SUTENT.

About Pathway Therapeutics

Pathway Therapeutics is a privately held pharmaceutical company focused on the discovery and development of next generation PI3-kinase (PI3K) inhibitors for the treatment of cancer and inflammatory diseases. The company was founded in 2008 based on technology from the University of Auckland. Pathway's platform is directed toward the discovery and optimization of PI3K inhibitors with excellent isoform selectivity and highly differentiated pharmacologic and pharmaceutical profiles. The company is leveraging this founding science and management's deep drug discovery and development expertise to advance its programs efficiently from discovery into clinical development. Pathway's lead

compound, PWT33597, a dual inhibitor of PI3K alpha and mTOR, is in preclinical development. Pathway Therapeutics is located in San Francisco, CA and can be found online at www.pathwaytx.com.

Contact:

Julie Cherrington, CEO

(415) 710-6702

julie.cherrington@pathwaytx.com