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Keith D. Ignatz Named President and CEO of Diabetes Pharmaceutical Company DiaKine Therapeutics

Company developing drugs to improve islet cell transplant results; halt progression of diabetes

CHARLOTTESVILLE, VA (March 29, 2005) -- DiaKine Therapeutics, Inc. today announced that veteran health care company executive Keith D. Ignatz has been named President and Chief Executive Officer of the company. Mr. Ignatz assumes leadership of DiaKine as it prepares to begin human trials of the company's islet cell preserving and restoring drug Lisofylline.

"We are very pleased to have such a knowledgeable and respected health care executive as Keith join the company at this important stage of development," said Jerry L. Nadler, M.D. chairman and Chief Science Officer of Diakine. "In addition to his significant diabetes company knowledge, Keith brings to DiaKine a track record of successfully building venture-backed companies into worldwide market position leaders."

"I am very happy to be joining Dr. Nadler and the DiaKine team as we work to bring these promising therapies to market and build a successful business," said Mr. Ignatz. "We believe that Lisofylline and its related oral analogs offer significant opportunity to greatly improve the quality of life for people with diabetes."

Mr. Ignatz is a seasoned senior corporate executive with more than twenty years experience in the global health care markets. Mr. Ignatz co-founded SpectRx, Inc., a diabetes management company, where he served as President and COO. He also was President of Humphrey Instruments SmithKline Beckman (Japan), President of Humphrey Instruments GMBH (Germany), and Senior Vice President of Allergan Humphrey, a \$100 million per year medical company. Mr. Ignatz holds an M.B.A. from Pepperdine University and currently serves on the board of two high technology medical public companies and is a trustee of The Pennsylvania College of Optometry.

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About Lisofylline and Diabetes

Lisofylline (LSF) is a synthetic small molecule with novel anti-inflammatory properties. LSF has demonstrated that it can effectively prevent type 1 diabetes in preclinical models and improves the function and viability of isolated or transplanted human pancreatic islets *in vivo*. LSF has shown to improve cellular mitochondrial function and to block interleukin 12 (IL-12) signaling and STAT-4 activation in target cells and tissues. IL-12 and STAT 4 activation are important pathways linked to inflammation and autoimmune damage to insulin producing cells. Therefore, LSF and related analogs offer the promise of providing a new therapeutic approach to prevent or reverse type 1 diabetes. Studies have shown that LSF also directly reduces glucose-induced changes in human kidney cells suggesting that LSF and analogs have the potential to treat the complications associated with diabetes.

Lisofylline from DiaKine Therapeutics is scheduled to enter into a National Institute of Diabetes & Digestive & Kidney Diseases islet cell clinical trial the second half of this year. The trial is designed to measure the ability of LSF to improve the functional yield of islet cells being made ready for transplant, and to block damaging inflammatory signals to keep the newly transplanted cells viable.

About DiaKine Therapeutics, Inc.

DiaKine Therapeutics is a development-stage company commercializing Lisofylline and related compounds into therapies for diabetes and related complications. The Company was spun out of research into the diabetes treatment applications of LSF conducted by Dr. Jerry L. Nadler, Chief of Endocrinology and Metabolism at the University of Virginia School of Medicine. Initial therapies being developed by DiaKine are an adjunct to improve the outcomes of islet cell transplants and to halt the progression of Type 1 diabetes in newly-diagnosed adults. Future applications include treatment for diabetes complications and Latent Autoimmune Disease of Adults (LADA) diabetes.

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