

For Press Release

PharmaEngine Reports that PEP02 Met the Primary Endpoints in Phase II Studies in Gastric Cancer and Pancreatic Cancer

TAIPEI, Taiwan--(BUSINESS WIRE)--Jan 25, 2011 - PharmaEngine, Inc. announced today that two phase II studies of PEP02 (liposome irinotecan) in gastric and pancreatic cancer studies were presented at the 2011 Gastrointestinal Cancers Symposium of the American Society of Clinical Oncology (ASCO) in San Francisco, CA, USA.

PharmaEngine completed a multi-national (Europe and Asia) randomized non-comparative phase II study of PEP02, irinotecan, or docetaxel as a second line treatment in gastric or gastro-esophageal junction adenocarcinoma. The results of the gastric cancer study were presented orally by the Chief Investigator, Prof. David Cunningham, Royal Marsden Hospital, Sutton, Surrey, UK. Data from 132 treated patients in 6 countries showed that PEP02 and docetaxel (approved for first line in gastric cancer) met the primary endpoint of tumor response rate, while irinotecan (approved for gastric cancer in Japan and Korea) did not. The disease control rate, progression-free survival, overall survival, and safety data were similar among the three treatment arms in this study. On an exploratory basis, a small cohort of patients in the PEP02 arm who did not develop significant toxicity and received escalated dose, had higher tumor response and disease control, as well as longer progression-free survival than either irinotecan or docetaxel.

Data from the ongoing phase II pancreatic cancer study was presented in a poster by Dr. Andrew Ko, University of California, San Francisco, CA, USA. The study is evaluating PEP02 as a second line therapy in 40 metastatic pancreatic cancer patients in Taiwan and the US who were refractory to gemcitabine-containing regimen. 75% of patients achieved the primary endpoint of 3-month survival rate, exceeding the targeted statistical threshold, with acceptable safety. The pancreatic cancer trial is still in progress, with several patients currently remaining enrolled. To date, quite a few patients have survived 6 months or longer.

“I am very encouraged by the positive data of PEP02 in these two international phase II studies in gastric and pancreatic cancers”, said Grace Yeh, Ph.D.,

President and Chief Executive Officer. “There are no global standard second line treatments for either of these patient populations. We believe that PEP02 is worthy of further evaluation in future gastric and pancreatic cancer studies.”

For more information on these two studies, please refer to ASCO's GI Cancers Symposium website,

http://www.asco.org/ASCOv2/Meetings/Abstracts?&vmview=abst_detail_view&confID=103&abstractID=70459

or

http://www.asco.org/ASCOv2/Meetings/Abstracts?&vmview=abst_detail_view&confID=103&abstractID=70718

About PEP02

PEP02 is a novel nanoparticle liposome formulation of irinotecan. Irinotecan HCl (Camptosar®, Campto®) is a broad spectrum anti-cancer cytotoxic drug approved for the treatment of colorectal cancer, and the annual sales approached US\$1 billion in 2008. PharmaEngine licensed rights to PEP02 in Europe and Asia from Hermes Biosciences, Inc. (South San Francisco, CA). Hermes was acquired by Merrimack Pharmaceuticals, Inc. (Cambridge, MA) in 2009. Merrimack retains the rights in North America and other territories, and is developing PEP02 under the designation MM-398.

In the phase I clinical studies in advanced solid tumor patients, PEP02 given as a single agent or in combination with other chemotherapeutic agents showed a satisfactory pharmacokinetic, safety and efficacy profile, which compared favorably to the published data of conventional irinotecan. Previous phase I single agent and combination data were presented at 2008 and 2009 ASCO Annual Meetings.

About PharmaEngine, Inc.

PharmaEngine, Inc. is a biopharmaceutical company established in Taipei, Taiwan in 2003. The company focuses on the development of new drugs to treat cancer and Asian prevalent diseases. For further information on PharmaEngine, Inc, please visit the Company's website at www.pharmaengine.com.