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Rx³ Pharmaceuticals Awarded Two New NIH Grants Totaling \$1.5 Million

Company Expands Scientific Staff and Lab Facilities Based on New Revenues

San Diego, CA, September 25, 2006 – Rx³ Pharmaceuticals, Inc., an anti-infective drug discovery company, announced today that it has recently been awarded two new grants totaling \$1.5 million. The two grants complement the three year, \$3 million grant the Company was awarded at its inception as well as the commercial research revenues it is currently receiving.

“We are very pleased that in this highly competitive environment, the Federal Government continues to value the cutting edge, antibiotic drug discovery that the Company is undertaking,” said John Finn, Ph.D., President of Rx³ Pharmaceuticals. “These grants support our focus, which is developing novel classes of antibacterial agents. The funding will allow the Company to expand its staff and its R&D facilities to further advance its preclinical antibiotic research.”

The objective of the first award is to further develop potent antibacterial agents that kill a broad array of pathogenic bacteria by inhibiting more than one enzymatic target simultaneously. The goal of the second award, which is a two year grant, is to discover compounds that inhibit specific cell wall targets and that act synergistically in combination with certain existing antibiotics. As the aims of either grant are achieved, the Company will qualify for substantially increased funding by applying for Phase II funding to further this research.

About Rx³ Pharmaceuticals

Rx³ Pharmaceuticals is a drug discovery company applying its structure-based drug design technologies to its antimicrobial programs. These programs target novel proteins in validated biological pathways. For more information, visit www.rx3pharma.com.

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