

Press Release

Cytochroma Closes \$12 Million Round Of Financing

KINGSTON, Ontario, Canada – October 29, 2001 - Cytochroma Inc. announced today that it has raised Cdn\$12 million (US\$7.6 million) in private equity financing to further advance the company's business and research objectives of discovering and developing novel therapeutics based on cytochrome P450-based metabolism. The Business Development Bank of Canada (BDC) served as lead investor with new participation from Novo A/S of Denmark and VentureLink Capital Corp. of Toronto as well as participation from the existing investors, GeneChem Technologies Venture Fund L.P., Canadian Medical Discoveries Fund and Working Ventures Canadian Fund Inc.

"I am extremely pleased that our new and existing investors have demonstrated confidence in the potential of Cytochroma to exploit opportunities to discover and develop potent and selective drugs targeting novel cytochrome P450 enzymes," said Dr. Robert Foldes, President and CEO of Cytochroma. "This investment will allow Cytochroma to advance its unique drugs towards the clinic, to build its technology platform and to enhance its management team and scientific staff."

Cytochroma has established partnerships and validated its approach to drug discovery. Strategic collaborations, such as its partnership with Allergan, Inc. will lead to the filing of INDs while new partnerships will be sought which will complement and contribute to Cytochroma's expanding pipeline of novel gene targets and drug candidates.

"We are pleased to support the dynamic team led by Dr. Foldes at Cytochroma," commented Rob Hall, Director, BDC Venture Capital Division. "We believe that Cytochroma has a unique and valuable approach to drug discovery. This financing will enable the company to maintain its leading position in cytochrome P450-based therapeutics. This financing also demonstrates that high-quality companies can raise capital even in today's uncertain economic environment."

Cytochroma's proprietary technology platform consists of a unique bioinformatics-based approach to cytochrome P450 gene discovery termed CYP-ID™, a powerful integrated process for protein function identification termed LIPIDOMICS™, and a novel drug-screening approach termed CYP-HIT™. Cytochroma has successfully implemented this technology platform to discover and validate several new molecular targets for drug discovery.

The Business Development Bank of Canada is a financial institution wholly owned by the Government of Canada. BDC plays a leadership role in delivering financial, venture capital and consulting services to Canadian small business, with a particular focus on the technology and export sectors of the economy. BDC's Web site address is www.bdc.ca.

Cytochroma Inc. is an applied genomics and drug discovery company. It is a world leader in the discovery of cytochrome P450 genes, the identification of the function of the proteins encoded by those genes, and the discovery of highly potent and specific drugs regulating cytochrome P450 enzymes to address unmet medical needs. To date, Cytochroma's drug discovery program has identified modulators of retinoic acid and calcitriol metabolism as drug candidates for the treatment of skin diseases, cancer and bone disorders. Cytochroma's Web site address is www.cytochroma.com.

