



## NEWS RELEASE

# Novation Receives Notice of Allowance from US Patent Office for the *QUEST* Drug Discovery Technology

FOR IMMEDIATE RELEASE

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**Vancouver, Canada:** Novation Pharmaceuticals today announced that it has received a notice of allowance from the United States Patent Office for a key patent application in respect of its *Quest* small-molecule drug discovery technology.

*Quest* is a breakthrough drug discovery technology, harnessing mRNA stability modulation, and is able to deliver unique small molecule compounds for a wide range of therapeutic targets, including non-drugable targets, across many different diseases.

Ian McBeath, Chief Executive Officer for Novation said today; *“The receipt of the Notice of Allowance for this US patent is a major milestone for Novation. We already have issued patents in Europe and Australia and this allowance now significantly strengthens our worldwide patent position in the field.”*

### About Novation and the *Quest* Technology

Novation is a product focused Company using *Quest*, a breakthrough drug-discovery technology, harnessing a natural cellular control function, mRNA modulation, to identify new therapeutics for a broad range of diseases. Novation founding scientists were the first to report that it is possible to impact the stability (half-life) of mRNA with small molecules, which observation led to the development of *Quest*.

Messenger RNA (mRNA) links gene activity and subsequent protein expression and is thus an ideal target for therapeutic intervention. In normal cells, regulation of the abundance and stability of mRNA is a key mechanism that determines which proteins get made, how much is produced and for how long. The cell is able to exercise this effect through impacting specific Stability Control Elements (SCEs) present within each individual mRNA. Novation scientists are able to identify the SCEs responsible for regulating the stability (half-life) of any target mRNA and extract and clone these into a high-throughput reporter gene assay system (the *Quest* technology).

*Quest* can identify both inhibitory and stimulatory small molecule compounds. Compounds that are able to inhibit the stability of a target mRNA, thus causing a down-regulation of a protein are targeted for those diseases where there are inappropriately high levels of certain proteins (e.g. cancer, chronic inflammation, etc). Similarly, *Quest* can identify compounds that will bring about an increase in stability of a target mRNA, resulting in production of a protein in those conditions where lack of an essential protein is causing disease (e.g. Parkinson’s disease, cystic fibrosis etc).



Importantly, *Quest* can be applied to currently considered intractable or “non-drugable” targets, which have been estimated to make up almost 90% of known therapeutic targets. The *Quest* technology has already been successfully used to identify potent and selective compounds for previously intractable targets in the areas of cancer and diabetes

Novation has available a wide-range of *Quest* drug-discovery assays for a number of disease targets in cancer, inflammation, metabolism and neurodegeneration, with other important areas in development. Novation is able to undertake drug discovery programs on behalf of partners, based on disease targets of interest (including non-drugable targets) and deliver potent and selective small molecule compounds which may become major new therapeutics.

The *Quest* technology provides a completely new approach to drug discovery and opens up the possibility of finding new therapeutics for many diseases currently considered to be intractable. Novation has strong intellectual property related to this approach and believes that it is a leader in the field.

### **About mRNA Modulation**

mRNA is the key regulatory molecule in all cells linking gene activity and subsequent protein expression. mRNA is thus an ideal target for therapeutic intervention.

mRNA levels in normal cells are highly regulated determining which proteins get made, how much is produced and for how long. Regulation of the abundance and stability of mRNA represents a key mechanism to control activity levels of a broad range of disease relevant proteins.

*This news release contains certain forward looking statements. Actual results may differ materially from the statements made as a result of various factors, including, but not limited to, the inherent risks associated with drug research and development, difficulties or delays in development testing, changes in regulatory affairs, lack of therapeutic efficacy, unacceptable side-effects, the dependence on partners, the inability to raise sufficient finance, the appearance of competitors and other risks generally associated with the biopharmaceutical industry.*

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