

ACT BIOTECH Receives Orphan Drug Designation for Telatinib, an Orally Available and Highly Selective Kinase Inhibitor, in Gastric Cancer

FOR IMMEDIATE RELEASE - San Francisco, CA, June 2, 2010 – ACT Biotech Inc., a privately held biotechnology company developing a portfolio of oral kinase inhibitors as anti-cancer drugs, announced today that the company's highly selective oral kinase inhibitor, Telatinib, has received orphan drug designation from the U.S. Food and Drug Administration (FDA) for the treatment of gastric cancer. Telatinib is currently in Phase 2 clinical testing in the United States and in Europe for the first-line treatment of advanced gastric cancer patients in combination with standard-of-care chemotherapy. The company is preparing Telatinib to be Phase 3 ready for first-line gastric cancer treatment by the end of 2010, with New Drug Application (NDA) filing targeted for 2013.

Telatinib is an oral small molecule drug that inhibits the VEGFR, PDGFR and KIT receptor tyrosine kinases. Telatinib is extremely selective, thus eliminating off-target side effects and providing the potential for better efficacy and superior combinability with other anti-cancer agents. Telatinib has demonstrated strong antitumor activity in the clinic as a single agent, including objective tumor responses. Telatinib has also demonstrated combinability at full dose with several chemotherapy regimens, including capecitabine/cisplatin in this study, without apparent additive side effects.

FDA orphan drug designation is intended to encourage companies to develop therapies for the treatment of diseases that affect fewer than 200,000 individuals in the United States. Orphan designation qualifies the sponsor of the product for seven years of marketing exclusivity once the product reaches the market. Prior to FDA approval, orphan designation by the FDA provides the opportunity to obtain grant funding to defray costs of clinical trial expenses, tax credits for clinical research expenses and a potential waiver of the FDA's application user fee.

"The achievement of orphan drug designation for Telatinib in gastric cancer will accelerate our efforts to bring the product to market quickly and efficiently, with the potential for launch as early as 2014. We believe Telatinib will be the first kinase inhibitor approved for patients with this disease, and is also a highly promising treatment for other solid tumor types." said Wolf D. Busse, Chief Executive Officer and President of ACT Biotech. The company has initiated the process for filing for a similar orphan designation in Europe. ACT Biotech will be in attendance at the ASCO annual meeting in June, 2010. (<http://chicago2010.asco.org/Home.aspx>)

About ACT Biotech, Inc

ACT Biotech (www.actbiotech.com) is a San Francisco-based, privately-held biopharmaceutical company focused on the development and commercialization of targeted cancer drugs. In addition to Telatinib, the Company's clinical stage pipeline also includes ACTB1003, a unique oral kinase inhibitor that targets cancer cells through multiple modes of action. ACTB1003 inhibits cancer cell growth by targeting the FGF receptor family, which are mutated in a number of human cancer types. ACTB1003 also directly induces apoptosis by targeting the intracellular RSK and S6K kinases at low nanomolar concentrations. An Investigational New Drug (IND) application for ACTB1003 was accepted by the US Food and Drug Administration (FDA) in January, 2010. Other pipeline products include an oral pan-Aurora kinase inhibitor at the pre-IND stage and a mutant ABL tyrosine kinase inhibitor program in pre-clinical development. ACT Biotech is backed by NGN Capital of New York, NY; Greenwich, CT; and Heidelberg, Germany.

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