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TARSA THERAPEUTICS ADVANCES ITS ORAL CALCITONIN FOR THE TREATMENT AND PREVENTION OF POSTMENOPAUSAL OSTEOPOROSIS

***—Completes Patient Enrollment in Phase II Osteoporosis Prevention Trial—
—Will Present Full Data Set on Phase III ORACAL Treatment Trial at ASBMR—
—Closes Additional Tranche of a Financing that Has Raised a Total of \$24.5 Million—***

PHILADELPHIA, PA – July 12, 2011 —Tarsa Therapeutics today reported progress in its two ongoing clinical development programs for its oral recombinant salmon calcitonin for the treatment and prevention of postmenopausal osteoporosis. Patient enrollment in the Phase II osteoporosis prevention trial has been completed, and the full set of data from the Phase III ORACAL trial has been accepted for an oral presentation at the American Society for Bone and Mineral Research (ASBMR) 2011 Annual Meeting in September. Separately, Tarsa also announced it has closed an additional tranche of a financing that has raised a total of \$24.5 million for the company.

Patient enrollment is now completed in TAR01-201, a double-blind Phase II study comparing Tarsa's oral recombinant salmon calcitonin to placebo in approximately 120 postmenopausal women who have low bone mass (osteopenia) and are at increased risk of fracture. This proof-of-concept study is evaluating the ability of oral calcitonin to prevent osteoporosis and maintain bone mass in this population. Interim six-month data from this trial, which is being conducted entirely in the US, are expected to be available in early 2012.

Earlier this year, Tarsa reported that the Phase III ORACAL trial of its oral recombinant salmon calcitonin in the treatment of postmenopausal osteoporosis had yielded statistically significant, positive top-line results. That protocol had been agreed to in a Special Protocol Assessment with the US Food and Drug Administration (FDA) and was subject to Scientific Advice from the European Medicines Agency. Data from the ORACAL study will be presented at the ASBMR 2011 Annual Meeting that will be held September 16-20, 2011 in San Diego. A New Drug Application (NDA) submission to the FDA is targeted for late 2011.

Separately, Tarsa announced that it has closed an additional tranche of a financing that has raised a total of \$24.5 million. All of the company's existing investors participated in the financing, including MVM Life Science Partners, Quaker BioVentures, Novo A/S and Unigene Laboratories. The company plans to use the proceeds to advance the clinical development of its oral calcitonin, including the planned NDA submission to the FDA later this year, and for general corporate purposes.

"We are encouraged by the continued positive developments in our oral calcitonin program," said David Brand, President and CEO of Tarsa. "We are looking forward to presenting the full set of efficacy and safety data from the ORACAL trial this fall at the ASBMR meeting, the most important US medical meeting in the osteoporosis field. We view the rapid completion of enrollment in our Phase II prevention study as another sign of the potential interest among physicians and patients for access to additional options for managing and preventing osteoporosis. Finally, we are pleased at the ongoing strong support from our investors in helping to finance our continued progress."

Calcitonin is approved for the treatment of postmenopausal osteoporosis, but its use has been limited by the fact that it is currently available only in intranasal and injectable forms. Tarsa's oral calcitonin product has been shown in prior clinical studies to deliver the desired blood levels of calcitonin and reduce levels of biomarkers of bone resorption.

For more information about the ORACAL osteoporosis treatment trial and the TAR01-201 osteoporosis prevention trial, visit www.clinicaltrials.gov/ct2/results?term=tarsa.

Tarsa is developing its oral calcitonin product under a licensing agreement with Unigene Laboratories that provides Tarsa with exclusive development and worldwide commercialization rights to Unigene's oral calcitonin product, with the exception of China.

About Tarsa Therapeutics

Tarsa Therapeutics is a venture-backed clinical stage biotechnology company developing an oral formulation of calcitonin for the treatment and prevention of postmenopausal osteoporosis. Calcitonin has a long history of safety and efficacy, and availability of an oral form is expected to generate wider use. Tarsa recently reported positive top-line results from the Phase III ORACAL trial of its oral calcitonin in the treatment of postmenopausal osteoporosis, and a Phase II osteoporosis prevention trial is underway. Tarsa is based in Philadelphia, PA. For more information, visit www.tarsatherapeutics.com.