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Proacta Inc Completes \$35M Series B Financing

Capital will Fund Additional Clinical Studies Targeting Hypoxic Tumors and Expand US Team

San Diego, CA, February 7, 2007 – Proacta Inc, a clinical stage biotechnology company, today announced the completion of a \$35M Series B financing. The new funding will take Proacta's lead compound, PR-104, through the next phase of clinical development and support the discovery and development of additional compounds.

Proacta is developing a new generation of cancer drugs that uniquely target physiological attributes of solid tumors. Proacta's lead clinical candidate, PR-104, is a pro-drug compound that is selectively activated in hypoxic (low oxygen) cells of tumors, killing those cells as well as surrounding tumor cells ("bystander effect") which have more normal levels of oxygen. PR-104 has the potential to be less toxic and more potent than current therapies. In addition, PR-104 in combination with current chemotherapy and biologic regimens offers the promise of improving current cancer treatments.

The new investors are Clarus Ventures, which led the round, and Delphi Ventures. The existing investors are Alta Partners, GBS Venture Partners (Australia) and New Zealand Venture Investment Fund (NZVIF) backed-New Zealand funds No 8 Ventures and Endeavour iCap, as well as pharmaceutical companies Genentech and Roche. Managing Director Dennis Henner, Ph.D., of Clarus Ventures and General Partner, Deepa R. Pakianathan, Ph.D. of Delphi Ventures will join Proacta's Board of Directors in conjunction with the financing.

"Proacta has made significant progress in the initial clinical trials of PR-104," said Dr. Henner. "The results to date demonstrate compelling science that can be translated into patient benefit. We look forward to working with this outstanding team to develop drugs that have the potential to improve upon current treatments for many cancer patients."

Founded by leading cancer researchers Professors Bill Denny and Bill Wilson of the University of Auckland, and Professors Martin Brown and Amato Giaccia of Stanford University, Proacta is currently conducting clinical trials in Australia, New Zealand and the United States. The Company is headquartered in San Diego, California.

The trials are an important step in seeking to exploit abnormality in the blood supply of tumors as a basis for treatment. Emerging clinical evidence suggests that most of the 10 million people who are diagnosed with cancer each year have areas of significant hypoxia in their tumors. Relapse of treated cancer is likely often due to the ability of cancer cells in hypoxic regions to survive existing treatments.

“We continue to be encouraged by our clinical results,” said Paul Cossum Ph.D., President and CEO of Proacta Inc. “This funding will provide Proacta with the resources to complete our current Phase I trials, as well as two important Phase II trials; one that will study PR-104 as a single agent and a second that will evaluate PR-104 in conjunction with chemotherapy treatment. We expect the planned clinical trials will prepare the Company to present data to the FDA in support of a registration trial. We will expand our clinical team in San Diego to support these efforts.”

Through this research, Proacta will continue to strengthen an already extensive intellectual property portfolio, using tumor hypoxia as a target for innovative cancer therapies. The Company’s current pipeline spans several chemical classes and over twenty patents. Proacta’s Chairman of the Board and Alta Partners Director, Dr. David Mack, said that “We are very pleased to have added two high quality firms and individuals to our investor syndicate. Proacta is now well positioned to execute against our clinical plan and take the Company to the next stage.”

About Proacta, Inc.

Proacta Inc is a clinical stage Biotechnology Company that discovers and develops innovative small molecule prodrugs that address critical, unmet needs in oncology. Proacta's initial programs are focused on developing prodrugs to be selectively activated under hypoxic conditions within a solid tumor. The company's exceptional pipeline spans several chemical classes and over twenty patents. Its scientific founders are at the University of Auckland, New Zealand, and Stanford University, Palo Alto. The company has scientific collaborations with Genentech Inc, Onyx, Manchester University in the UK, Stanford University and the University of Auckland. Proacta, Inc has its headquarters in San Diego, CA and has a wholly-owned subsidiary, Proacta Therapeutics Ltd, in Auckland where drug discovery efforts are located. www.proactatherapeutics.com

About Clarus Ventures

Clarus Ventures is a life sciences venture capital firm with a team that has a long history of success in creating value. It augments its core expertise of investing in biopharmaceuticals and medical technology with the deep and diverse expertise of the team in research and development, commercialization, business development and operations management at the global level. Its inaugural fund totals \$500 million in commitments. Its first fund is primarily invested in US-based biopharmaceutical and specialty pharma companies with products in development at value inflection points in their lifecycle. Secondary areas of focus are companies specializing in biotechnology platforms or medical devices, European life sciences companies, and private investments in public entities.

About Delphi Ventures

The partners at Delphi Ventures help build healthcare companies. They provide capital, contacts and leadership to help entrepreneurs realize their vision. Healthcare is their sole focus. Founded in 1988, Delphi among the first venture capital firms in the United States to focus on early stage medical device and biotechnology investments. It has committed capital of \$850M and funded over 150 companies and has raised a total capital of more than \$3.5B.

About Alta Partners

Alta Partners is a San Francisco-based venture capital firm focused on life sciences investing. Founded in 1996, the firm currently manages nearly \$2 billion in committed capital through eight venture fund programs. Alta invests in biopharmaceutical and medical technology companies across the development continuum, from company formation to later-stage opportunities, and has funded more than 110 life sciences companies to date. www.altapartners.com