

NEWS RELEASE

Namisol[®] has been granted 4,5 million euros for clinical Phase II & III on Alzheimer's and chronic neural pain

***Nijmegen, JULY 2010* –Echo Pharmaceuticals has joined forces with the University Medical Center (UMC) St. Radboud in a consortium to expand and pursue further development of the cannabinoid-based tablet Namisol[®]. The consortium has been granted a European subsidy of 4,5 million euro for the second phase clinical studies with Alzheimer patients and patients with chronic neural pain. Smoking of cannabis will no longer be necessary for these patients as Namisol[®] will offer greater convenience, dosage control and significant relief of symptoms.**

Echo Pharmaceuticals B.V. has successfully completed the first clinical studies in humans for the cannabinoid-based tablet Namisol[®], which is an oral tablet containing THC, the most prominent active ingredient in cannabis. Echo's Executive Board Member Geert Woerlee states "this ground-breaking milestone puts the tablet on track to become the first single cannabinoid-based registered medicine in Europe". In collaboration with the UMC St. Radboud, the second phase trials on patients with Namisol[®] are currently in preparation for the indications of Alzheimer's disease and chronic neural pain such as e.g. post surgical pain. UMC researchers Prof. Dr. Marcel Olde Rikkert and Dr. Harry van Goor quote "It's a fact that cannabis has a positive effect on the central nervous system. The most prominent active compound of cannabis responsible for this is THC. THC is especially relieving for patients with complicated symptoms that occur with Alzheimer's, MS and chronic neurological pain. By formulating the compound THC into a tablet, cannabis can be administered with just a sip of water."

Namisol[®] is expected to be ready to enter the market in a few years' time. Seeing the increasing amount of applications and the advantages that Namisol[®] has to offer, the demand for an officially registered cannabinoid-based tablet will be substantial. The market potential for Namisol[®] is exceptionally strong, particularly when considering that the central nervous system is one of the largest and fastest growing therapeutic areas in the pharmaceutical market. Only in The Netherlands there are already more than 3 million patients that suffer from pain (source: Painplatform The Netherlands). Recently the consortium received a capital of € 4,5 million (total costs € 9 million euro) from a European subsidy program in order to invest in further development of Namisol[®]. Next to Echo's private investor, the Dutch Ministry of Economic Affairs also granted an innovation credit to continue with the initial Namisol[®] development program for pain and spasms in MS. In Europe there are approximately 670,000 people with MS (source: European MS Platform). The supply of controlled, high quality raw material by the Dutch Office of Medicinal Cannabis (OMC) and sanction of the Dutch government for such developments secure a successful development for Namisol[®].

ABOUT ECHO PHARMACEUTICALS

Echo Pharmaceuticals is a privately owned company founded in 2006 and situated in Nijmegen and Weesp, The Netherlands. Echo Pharmaceuticals is an innovative technology-based pharmaceutical company that owns an advanced technology platform on the isolation and formulation of active plant materials in particular from the Cannabis plant. A selection of isolated, potential drug candidates are formulated to novel medicines using the proprietary Drug Delivery Technology Alitra™. The novel medicines, such as Namisol[®], an example of Echo's technology implementation, are subsequently assigned for full clinical development. The Drug Delivery technology Alitra™ improves the uptake of lipophilic active pharmaceutical ingredients (API's) in the bloodstream to effectively relieve patients from their symptoms.

Besides the research and development of medicines, Echo Pharmaceuticals also combines this extensive expertise to supply cannabinoid standards to other research companies with the required licenses for controlled substances. Furthermore Echo offers contract researching, licensing of the isolation and Drug Delivery Technology to third parties. For more information please visit www.echo-pharma.com or contact us at the address as stated below.

ABOUT NAMISOL®

Namisol® is a novel investigational oral tablet containing THC, also referred to as delta9-tetrahydrocannabinol or in medical terms Dronabinol, which is the most prominent cannabinoid in cannabis that has a therapeutical effect on the central nervous system (CNS). For decades, preparations of cannabis (*Cannabis sativa L.*) have been employed in the treatment of numerous diseases and/or severe ailments such as chronic pain, nausea, vomiting, Glaucoma, Anorexia nervosa, spasticity and other symptoms related to the CNS. Currently applications of the cannabinoid-based tablet Namisol® for the treatment of pain and spasms in Multiple Sclerosis, Alzheimer's disease and as an adjuvant during chronic pain treatments with morphine are being investigated. Research on additional indications is anticipated.

The formulation of Namisol® has been created such that its dosage form is reproducible, standardized for dosage control, offering patients convenience and an enhanced absorption. Smoking medicinal cannabis will no longer be necessary.

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