

FDA Approves Trial of Pathway Therapeutics, Inc. Cancer Drug; \$7.5 Million Financing in Place to Advance Novel PI3K/mTOR Inhibitor Portfolio

San Francisco, CA – May 25, 2011. Pathway Therapeutics, Inc., a company developing novel therapeutics that target the PI3K and mTOR pathways, today announced that the FDA has accepted an IND filing for PWT33597, which allows Pathway to commence Phase 1 clinical testing.

PWT33597 is a proprietary, selective, dual inhibitor of PI3K kinase alpha and mTOR, and is the first agent with this profile to enter the clinic. The phase 1 clinical trial of PWT33597 is a single agent study designed to evaluate the safety of escalating doses of PWT33597 in patients with advanced solid tumors. The study will also provide a rich dataset of pharmacokinetic and pharmacodynamic measurements, as well as an early assessment of clinical activity. Additionally, the company successfully advanced its second program, focused on the discovery and development of PI3K delta selective inhibitors, to the lead optimization stage.

Coincident with reaching these objectives, GBS Ventures and CM Capital Investments, two of Pathway Therapeutics' existing investors, have invested an additional \$7.5 million into the company.

"On behalf of the board, we are extremely excited to see such rapid advancement of our first drug into the clinic," Pathway's board chairman Dr. Mark Harvey stated. "We look forward to establishing the clinical profile of PWT33597 in cancer patients."

"This is a pivotal step for Pathway," said Julie Cherrington, Pathway's president and CEO. "We have built an outstanding team and have delivered on an aggressive timeline in a very capital efficient manner. This financing will deliver significant clinical data for Pathway."

Pathway has continued to recruit key members of its management team. Dr. Sanjay Lakhotia joined the company in October, 2010 as Vice President of Corporate Development. Dr. Lakhotia was previously the Senior Director of Corporate Development at Portola Pharmaceuticals, with responsibilities encompassing product licensing, program leadership and partnering. Prior to joining Portola in 2006, Dr. Lakhotia held corporate development positions at Onyx Pharmaceuticals and Medimmune.

About Pathway Therapeutics

Pathway Therapeutics is a privately held pharmaceutical company focused on the discovery and development of best in class, selective inhibitors of PI3K/mTOR for the treatment of cancer and inflammatory diseases in targeted patient populations most likely to benefit. The company was founded in 2008 based on technology from the University of Auckland. The company is leveraging this founding science and

management's deep drug discovery and development expertise to advance its programs efficiently from discovery into clinical development. Pathway Therapeutics is located in San Francisco, CA. For more information, please visit www.pathwaytx.com.

About GBS Ventures

GBS Ventures is Australia's largest specialist life science venture capital investment group and manages specialist funds from seed through to expansion stage in the life sciences sector. For more information please visit www.gbsventures.com.au.

About CM Capital Investments

CM Capital Investments is one of Australia's leading venture capital companies focused in investing in early-stage life sciences and telecommunications/IT companies. For more information, please visit www.cmcapital.com.

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