



Press release, September 25, 2007

Biolipox Signs Asset Purchase Agreement with Inflazyme Pharmaceuticals

The Swedish biotech company Biolipox AB and Inflazyme Pharmaceuticals Ltd, a Canadian biopharmaceutical company located in Vancouver and listed on the Toronto Stock Exchange (TSX-IZP), have entered into a definitive asset purchase agreement whereby Biolipox will acquire the majority of Inflazyme's assets for a total gross proceeds of CAD 11 million, plus a potential royalty payment.

The assets include Inflazyme's research and development programs on the LSAIDs™, the PDE inhibitors and the Protein Therapeutics Technology.

Biolipox will pay \$4 million immediately upon closing of the transaction. The remaining \$7 million would be paid only upon the successful attainment of certain milestones. The transaction also includes a potential royalty payment in the low single digits on net sales of the first PDE inhibitor compound brought to market.

"With the acquisition of these interesting development programs from Inflazyme, we strengthen our position within respiratory and inflammatory diseases. Inflazyme's novel technologies have exciting potential which we believe will fit nicely in the Biolipox R&D portfolio", commented Torbjörn Bjerke, President and CEO of Biolipox.

"The Inflazyme management team and the Board have evaluated a number of strategic options since February 2007. We have decided that our shareholders will be best served through this transaction with Biolipox," said Dr Kevin Mullane, President and CEO of Inflazyme. He also added, "Biolipox recognizes the value inherent in our proprietary technologies and they have the financial and technical resources to advance these programs."

The transaction is subject to approval by Inflazyme's shareholders, obtaining consents from regulatory authorities including the Toronto Stock Exchange,

and other customary closing conditions. The proposed transaction has the unanimous support of Inflazyme's Board of Directors. Inflazyme has called a special meeting of their shareholders to seek approval of this transaction. The meeting is to be held in Vancouver on October 25, 2007.

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Notes to editors

About Biolipox

Biolipox is a private Swedish biopharmaceutical company that develops novel treatments for inflammatory diseases including asthma, COPD, rhinitis, pain and arthritis. The company was founded by two professors from the Karolinska Institute after the discovery of a new family of arachidonic acid products with inflammatory effects called eoxins. Metabolites of Arachidonic acid play a central role in the development of inflammatory diseases. Biolipox is a global leader in developing products targeted at arachidonic acid metabolism. Further information on the Company may be obtained from its website at www.biolipox.com.

About Inflazyme

Inflazyme Pharmaceuticals is a biopharmaceutical company pioneering medical breakthroughs to transform the lives of patients with respiratory and inflammatory diseases worldwide. Further information on the Company may be obtained from its website at www.inflazyme.com

LSAIDs™

Inflazyme has developed a novel class of anti-inflammatory small molecules derived from *contignasterol*, a natural product isolated from the marine sponge *Petrosia contignata* that was collected off the coast of Papua New Guinea. Inflazyme's scientists determined the structural features of *contignasterol* responsible for the compound's anti-inflammatory activity, and subsequently developed a unique series of proprietary LSAIDs™ (Leukocyte Selective Anti-Inflammatory Drugs), which are believed to stimulate an anti-inflammatory effect by preventing the influx of leukocytes (white blood cells) to the site of inflammation.

This library contains a diverse group of compounds, many demonstrating efficacy in inflammatory models of respiratory disease. Three LSAIDs™ have advanced into clinical development with two completed Phase IIa studies in asthma.

PDE4

PDE4 is a phosphodiesterase (PDE) enzyme involved in inflammatory processes in many organs. Based on its tissue distribution and the demonstration that inhibitors of PDE4 reduce the activation of inflammatory cells, PDE4 has become an important molecular target for the development of novel therapies for inflammatory diseases, including asthma and COPD. Historically, the development of PDE4 inhibitors as therapeutic agents has been hampered by unwanted side effects, most notably nausea and vomiting (also referred to as emesis).

From a natural product isolated from a medical plant, Inflazyme's scientists have developed diverse libraries of compounds with activity against the PDE4 enzyme. The compounds appear to lack unwanted emetic side effect, and are optimized for the treatment of inflammatory diseases.