



Press Release

Egalet and RedHill Biopharma enter into an exclusive license agreement to develop, and commercialize Egalet's EG-P042 (Carvedilol) for the treatment of certain cardiac diseases

Copenhagen, Denmark – December 2nd 2009, Egalet a/s, Denmark and RedHill Biopharma Ltd. Israel, have entered into an exclusive license agreement that enables RedHill to further develop and commercialize Egalet's proprietary program EG-P042. EG-P042 is Egalet's prolonged release formulation of the active component Carvedilol. The indications sought will be hypertension and congestive heart failure.

Under the terms of the agreement Egalet will receive an undisclosed upfront payment as well as clinical milestone payments. RedHill will additionally pay Egalet double digit royalties on future sales of the product.

RedHill will obtain worldwide rights to the product with a right to sublicense such rights to appointed commercialization partners.

RedHill will under the terms of the agreement be liable for undertaking clinical trials to secure regulatory approval of the product.

"We are pleased that we have been able to secure an agreement for further progression of this program. It is in line with the redirection of Egalet towards becoming a pain oriented company that we have now been able to reach an agreement with a partner that will advance the clinical trials and ultimately seek an approval and commercialization of this product" says Peter Nordkild CEO of Egalet.

"We look forward to continuing the work that Egalet has initiated. The Egalet prolonged release formulation system has unique advantages that enables patients to achieve very stable plasma levels of Carvedilol based on once a day dispensing and we see an attractive market opportunity for this product" adds Dror Ben-Asher CEO of RedHill.

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Egalet

Egalet a/s is a specialist pharmaceutical company within pain management. Egalet creates innovative pharmaceutical products within pain with a special focus on creating abuse deterrent properties. Egalet utilizes its proprietary, abuse deterrent, prolonged release, erodible matrix based technology, Egalet[®] ADPREM to achieve this. Egalet currently has 3 clinical stage pain programs in development. Egalet also has 2 preclinical pain programs and a program for the treatment of ADHD. Additionally Egalet is exploring its technologies with partners in other disease areas. Egalet[®] CHRONO is specifically developed to highly targeted/timely delivery and Parvulet[®], is aimed at the pediatric market. For more information www.egalet.com

RedHill Biopharma

RedHill Biopharma is a pharmaceutical company focused primarily on acquisition and development of late clinical-stage new formulations of existing drugs. For more information please contact: dror@redhillbio.com