

For Immediate Release

**Contact: Kim Angelastro
Berry & Company
212-253-8881**

YAUPON THERAPEUTICS CLOSES \$4 MILLION FINANCING

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Series B financing positions company to advance development of its product portfolio targeting cancer and central nervous system diseases

RADNOR, PA (November 13, 2006) –Yaupon Therapeutics, a privately held specialty pharmaceutical company working to develop small molecule pharmaceuticals, today announced the closing of a \$4 million round of venture capital financing. The Series B financing will support the continued development of Yaupon’s multiple clinical programs targeting diverse medical needs in the treatment of lymphoma, addiction and neuropathic pain.

The venture capital financing was led by Osage Ventures of Bala Cynwyd, Pennsylvania, with a follow-on investment by BioAdvance Greenhouse Fund of Philadelphia, and with participation by Ben Franklin Technology Partners of Philadelphia, and TDH Capital of Radnor, Pennsylvania.

“This financing represents an important milestone for our company,” said Robert Alonso, president and CEO of Yaupon. “Our lead product is now enrolling patients for a pivotal study and is continuing to show great promise as we advance toward FDA filing and commercialization. We are delighted that several of the leading investors in life sciences today have recognized the promise of Yaupon’s innovative business strategy and therapeutic approach,” he added.

Yaupon Therapeutics has four products in development, including one compound in pivotal studies, one compound in phase 2 and additional compounds expected to enter clinical development in 2007. The company's lead product, Clearazide™, is a topically delivered cytotoxic agent for the treatment of cutaneous T-cell lymphoma (CTCL). Additional therapeutic areas targeted by Yaupon include smoking cessation, methamphetamine addiction treatment and neuropathic pain. Yaupon’s business strategy targets opportunities to license innovative technologies from academic research centers while leveraging funding available through the NIH competitive grant system.

“Yaupon’s business model reflects a strong focus on cost-effective strategies to license and advance clinical programs that have already delivered very promising results,” said David Drahms, vice president of Osage Ventures. He added, “As investors, we see excellent potential in both the company’s strategic approach to product development and in the progress thus far with Clearazide and with the other small molecule products in the pipeline.”

“Yaupon is ideally positioned to move multiple programs through development in a very capital-efficient way, making it a great example of the investment opportunities in Southeastern Pennsylvania,” said Barbara Schilberg, CEO of BioAdvance. “Under Robert’s leadership, this company is advancing clinical programs with the clear potential to represent significant commercial opportunities that benefit patients.” Drahms and Schilberg will also join Yaupon’s Board of Directors.

About Yaupon

Yaupon Therapeutics is a privately held specialty pharmaceutical company that develops small molecule pharmaceuticals licensed from under-served academic laboratories. The company has four products in development, with one compound in pivotal studies, one compound in phase 2 and additional compounds that will enter the clinic in 12 months. The company’s business strategy is to build a highly capital- efficient organization that leverages the NIH competitive grant system to offset research expenses and to validate its technology. The model emphasizes strong academic collaborations that lead to the licensing and development of unique products with proof of principle and millions of academic research dollars behind them. To date Yaupon has received over \$15 million in government support.

About BioAdvance Greenhouse Fund

To support growth of the life sciences industry in Southeastern Pennsylvania, BioAdvance established the \$20 million Greenhouse Fund to invest in promising proof-of-concept projects related to biotherapeutics, biomedical devices, diagnostics and platform technologies. The BioAdvance model is an innovative regional solution to the national problem of insufficient seed and pre-seed stage funding. Since making its first Greenhouse Fund investments less than four years ago, BioAdvance has committed nearly \$10.5 million in funding to startup life sciences companies and academic research institution projects. The BioAdvance portfolio companies have gone on to raise \$96 million in additional funding (as of June 2006). BioAdvance has been twice named to *Entrepreneur Magazine’s* leading early-stage venture funds.

About Osage Ventures

Osage Ventures is a venture capital fund that seeks to invest in determined and creative entrepreneurs that have a unique concept or product. Osage provides capital and value-added services to early stage IT/enabling technology and life science/healthcare businesses in the Northeast corridor. Initial investments range from \$1-\$1.5 million. Additional information is available at www.osageventures.com.

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