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**BioAdvance Ventures Announces Closing of
\$26 Million Early Stage Life Sciences Fund**

***BioAdvance and Quaker BioVentures Partner to Attract More National Life Sciences Investment to
Philadelphia Region***

Philadelphia and Wayne, PA – September 23, 2004 – BioAdvance, the Biotechnology Greenhouse of Southeastern Pennsylvania, and Quaker BioVentures announced today the closing of a new \$26 million fund, **BioAdvance Ventures, L.P.** The Fund is being sponsored by BioAdvance and managed by Quaker BioVentures to provide early stage funding dedicated to supporting life sciences companies in southeastern Pennsylvania, as well as the rest of the state.

"This innovative new fund demonstrates the Commonwealth's continuing commitment to the life sciences and other high growth industries," said Governor Edward Rendell. "The greater Philadelphia region has world-renowned medical research institutions, a highly skilled life sciences work force, and drug discovery and development expertise. This unparalleled infrastructure is now complemented by a prestigious set of public and private organizations working together to help Pennsylvania attract the equity capital needed to grow new businesses and create well-paying jobs."

Investors in the fund represent a diverse group that includes many of the Philadelphia region's leading pharmaceutical and biotechnology, academic and medical research, and economic development and business institutions: Cephalon, Inc., GlaxoSmithKline/S.R. One Limited, Merck & Co. Inc., Synthes, Inc., Wyeth, Drexel University, Fox Chase Cancer Center, Thomas Jefferson University, University of the Sciences in Philadelphia, The Wistar Institute, Aqua America, Inc., Ben Franklin Technology Partners of Southeastern Pennsylvania, Independence Blue Cross Pension Trust, the Delaware River Port Authority and the Montgomery County Employees Retirement System.

"This new initiative between BioAdvance and Quaker BioVentures plays a vital role in the funding continuum, leveraging both Pennsylvania's \$100 million investment in the Life Sciences Greenhouses and Quaker BioVentures' \$250 million in life sciences venture funding," said Barbara Schilberg, CEO of BioAdvance. "This combination not only creates an early stage venture fund focused on the region's life sciences, but also serves as a springboard to attract national venture capital to fuel the ever increasing innovation within the state."

The fund will be managed by Quaker BioVentures' experienced investment team, led by Dr. Brenda Gavin and Sherrill Neff. Peter Sears, the founder and former president of GlaxoSmithKline's venture unit S.R. One Limited, and a leader in early stage life sciences investing, will serve as senior advisor to the fund. Quaker BioVentures is making a significant commitment to BioAdvance Ventures from the fund it manages for the State's Tobacco Settlement Investment Board (TSIB).

"Quaker BioVentures welcomes the opportunity to partner with BioAdvance as we address the shortage of seed and early-stage institutional funding to nurture the Philadelphia region's best emerging life science companies," said Sherrill Neff, Managing Partner, Quaker BioVentures. "Our new partnership with BioAdvance builds on Quaker BioVentures' existing commitment to support development of the region as a top-tier market for emerging health care companies and to cultivate southeastern Pennsylvania's fertile life science community."



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“BioAdvance Ventures represents a combination of public and private money that uniquely addresses the growing need for early stage capital in the life sciences sector,” said Dennis Yablonsky, Secretary, Pennsylvania Department of Community and Economic Development. “This new Fund is an outstanding example of how the State’s \$100 million commitment to its tobacco settlement-funded Greenhouses is being leveraged to attract additional capital, helping to make Pennsylvania a magnet for life sciences innovation and entrepreneurship.”

About BioAdvance

BioAdvance was established in 2002 with \$33.8 million from the Commonwealth’s share of tobacco settlement monies to accelerate the creation of life sciences businesses and jobs in southeastern Pennsylvania. BioAdvance is accomplishing this goal through its key funding program, the \$20-million Greenhouse Fund, linking entrepreneurs to the region’s wealth of resources and with public-private initiatives like the new BioAdvance Ventures, L.P. fund. BioAdvance has selected 17 start-up companies and university-generated technologies for Greenhouse investments. For more information about BioAdvance, please visit www.bioadvance.com.

About Quaker BioVentures

Quaker BioVentures is a Pennsylvania-based life science venture capital fund focused on investment opportunities in the Mid-Atlantic region, from New York to North Carolina. The fund targets opportunities across the healthcare sector, including human therapeutics, medical devices, platform technologies, diagnostics, and healthcare information technology and healthcare services. Please visit www.quakerbio.com.

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