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Russo Partners LLC
Tony Russo, Ph.D., or Andreas Marathovouniotis
212-845-4251 or 212-845-5235
tony.russo@russopartnersllc.com
andreas.marathis@russopartnersllc.com

TetraLogic Pharmaceuticals
James Goldschmidt, Ph.D.
610-889-9900

TetraLogic Closes \$6 Million Series C-1 Investment with Nextech Invest Ltd.**-\$43 Million Raised in Past Year to Complete Phase 2a Cancer Clinical Studies -**

MALVERN, Pa., May 24 2011 – TetraLogic Pharmaceuticals, a biopharmaceutical company developing novel small molecule drugs to treat cancer, today announced that it has closed a \$6 million investment with new investor Nextech Invest Ltd., a Zurich, Switzerland, based oncology focused venture capital fund. Combined with the \$37 million Series C closed during 2010, TetraLogic has raised \$43 million in the past year. The company is investing the funds to complete Phase 2a clinical studies with its lead Smac mimetic drug candidate, TL32711.

“With its European base and oncology expertise, Nextech nicely complements and strengthens our group of investors,” said John Gill, TetraLogic’s president and CEO. “The new funds, combined with last year’s \$37 million in Series C financing, provide the necessary capital to complete several Phase 2a studies in solid tumors and initiate clinical studies in hematological cancers in the upcoming months.”

“TetraLogic is a great fit for our oncology portfolio,” said Matyas Vegh, Nextech Managing Partner. “We believe in the potential of Smac mimetics to improve cancer therapy, and we look forward to working with TetraLogic’s management and investors to build TL32711 into a leading cancer therapeutic.”

About TL32711

TL32711 is a small molecule peptidomimetic of Smac (an endogenous regulator of apoptotic cell death) that selectively antagonizes multiple IAPs. TL32711 has demonstrated preclinical anti-tumor activity that supports its clinical development for solid tumor and hematological malignancies as a monotherapy and in combination with other anti-cancer therapies. TL32711 is nearing completion of a single agent Phase 1 study in solid tumors and lymphomas and a Phase 1b five-arm combination clinical study in solid tumors. In the clinical studies to date, TL32711 has been well tolerated and exhibited target suppression and anti-tumor activity. Data from the TL32711 Phase 2a clinical studies will be available during the first half of 2012.

About Apoptosis and Smac Mimetics

Apoptosis, a process of programmed cell death, is the primary way that cancer cells are destroyed by cancer therapies and the body's immune response to cancer. Apoptosis can be activated through two pathways: the extrinsic pathway, mediated by stimulation of cell death receptors binding to cellular microenvironment signals such as tumor necrosis factor alpha (TNF- α) and TNF-related apoptosis-inducing ligand (TRAIL), and the intrinsic mitochondrial apoptotic pathway, which is activated by a number of signals such as hypoxia, oxidative stress, chemotherapies and irradiation. Both pathways converge in a common pathway that ultimately leads to caspase activation and apoptosis. The inhibitor of apoptosis proteins (IAPs) block apoptosis by inhibiting caspase activation at the TNF receptor level and by directly binding to and inhibiting executioner caspases.

Smac (second mitochondrial-derived activator of caspases) is the endogenous inhibitor of IAPs that antagonizes the activity of IAPs by inducing their degradation and neutralizing their inhibitory effect on caspases. In cancer, there is an imbalance between IAPs and Smac resulting in elevated levels of IAPs, which influences cancer survival, progression and resistance to therapy. Smac mimetics are small molecule drugs designed to mimic the action of Smac and correct the cancer imbalance. Smac mimetics bind to IAPs and block their function, thereby restoring the apoptosis pathway. The central role between Smac and IAPs in cancer cell death renders Smac mimetics a promising new class of therapeutics that are relevant to treating all types of cancer by targeting fundamental mechanisms of cancer cell survival and resistance. Smac mimetics have been shown to neutralize IAPs in preclinical studies, and thus, overcome resistance and enable cancer cell death by apoptosis.

About TetraLogic Pharmaceuticals

TetraLogic Pharmaceuticals is a privately held biopharmaceutical company that focuses on the discovery and development of Smac mimetics, small molecule drugs that mimic Smac (Second mitochondrial-derived activator of caspases) for the treatment of cancers. The company's investors include Clarus Ventures, HealthCare Ventures, Quaker BioVentures, Novitas Capital, Hatteras Venture Partners, Pfizer Ventures, Latterell Venture Partners, the Vertical Group, Amgen Ventures, Kammerer Associates, and Andrew Pecora, TetraLogic's chairman of the board and former chairman of the John Theurer Cancer Center at Hackensack University Medical Center, and George McLendon, a founding scientist, chairman of TetraLogic's scientific advisory board, and provost of Rice University. For additional information, please refer to the company's Web site at www.tetralogicpharma.com.

About Nextech Invest Ltd.

Nextech Invest is a global investment manager founded 1998 and located in Zurich, Switzerland. With its unique oncology-focused funds, Nextech Invest is a dedicated investor in leading oncology companies developing cancer drugs and diagnostics. Nextech Invest benefits from the support of an active and committed Scientific Advisory Board of highly influential oncology advisors, chaired by David Livingston, MD, deputy director at the Dana-Farber Cancer Institute/Harvard Cancer Center. For more information, please visit www.nextechinvest.com.

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