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FOR IMMEDIATE RELEASE

TransMolecular Closes \$33.2 Million Series C Financing

BIRMINGHAM, Ala. (March 1, 2004) — TransMolecular, Inc. (TMI) -- a biotechnology company committed to discovering, developing and commercializing novel and proprietary drugs to diagnose and treat cancer and pain -- today announced that it closed on \$33.2 million in its Series C financing. This oversubscribed round of financing was led by Easton Hunt Capital Partners (EHCP) and included significant participation from TMI's existing investors, Tullis-Dickerson, TVM Techno Venture Management, President Life Sciences and Pacific Horizon Partners. New investors included Diamond Capital Management, agent for the Dow Pension Fund, Oakwood Medical Investors, MDS Capital, Aperture Venture Partners, S.C.O.U.T. Healthcare Fund advised by Greer Capital, Cogene BioVentures, Global Biomedical Partners and POSCO BioVentures. The proceeds from this financing will be used primarily to conduct multiple clinical studies of TransMolecular's anti-cancer compounds, and advance the pre-clinical development of drug candidates for a number of indications. Sunny Sharma, MD, Vice President at EHCP, has joined the Board of Directors of TMI effective immediately.

"In this challenging funding environment, a raise of this magnitude is an extraordinary accomplishment and a validation of management's strategic plan and past execution, the strong promise of our targeted approach to treating cancer, and the robustness of our early clinical results in brain cancer," said Dr. Matthew Gonda, President and CEO of TMI. "We are very pleased that our offering was able to attract a large group of nationally and internationally recognized quality investors who share our vision for the broad potential of our unique technology platform."

"We are very excited to have led this investment", said Mark D. Chen, Managing Director of EHCP, "because we believe TransMolecular's unique cancer cell targeting technology has the potential to achieve a major breakthrough in the treatment of cancer." Sunny Sharma, MD, further added, "Brain cancer in particular represents an important unmet medical need, and Transmolecular's peptide-based approach promises to be of significant value in the targeted treatment of these tumors."

ABOUT TM-601

TransMolecular is developing a targeted approach to treating cancer using synthetic versions of peptides isolated from natural products. TM-601 and derivatives are synthetic versions of naturally occurring peptides found in scorpion venom that are able to cross blood brain and tissue barriers. TM-601 binds to a receptor only available on tumor cells. The receptor for TM-601 is a membrane lipid involved in transmitting information from the cell surface to the nucleus of the cell by a series of intricate pathways. By interrupting this interaction, cell growth, invasion, and metastasis is inhibited. TM-601 and derivatives can be used alone, coupled with radioisotopes or co-administered in cocktails of chemotherapeutic drugs to enhance its targeted therapeutic effect. It is highly unlikely that the cancer can develop resistance to TM-601 therapy (i.e., escape) due to the essential nature of its receptor in many cell functions. TM-601 and derivatives have an application in the treatment of a variety of solid tumors and hyper-proliferative diseases. TransMolecular has recently completed a phase I/II clinical study of ¹³¹I-TM-601, a radiopharmaceutical that combines a medicinal isotope of iodine with TM-601, in patients suffering from adult

recurrent glioma, a deadly form of brain cancer. TransMolecular anticipates that it will begin a phase II clinical study of 131I-TM-601 for adult recurrent glioma in the 2Q of 2004. 131I-TM-601 has received both the Fast Track Designation and Orphan Drug Status from the Food and Drug Administration (FDA).

ABOUT TRANSMOLECULAR, INC.

TransMolecular, Inc. is a privately held biotechnology company committed to discovering, developing and commercializing novel and proprietary products to diagnose and treat diseases having inadequate pharmaceutical alternatives, including cancer and pain. The company's corporate offices and research laboratories are located in Birmingham, Alabama. For more information, visit www.transmolecular.com.

ABOUT EASTON HUNT CAPITAL PARTNERS

Easton Hunt Capital Partners, L.P. (EHCP), with offices in New York and Florida, is a venture capital firm, which invests primarily in healthcare and growth capital opportunities. In healthcare, EHCP has concentrated on transactions in the drug discovery, drug delivery, and medical device arenas. Its target investments are well-managed companies characterized by differentiated products addressing major unserved markets. For more information, visit www.eastoncapital.com.