

FOR IMMEDIATE RELEASE CONTACT:

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**TransMolecular Launches Phase II Clinical Study of ¹³¹I-TM-601
to Treat Deadly Form of Brain Cancer**

Naturally occurring substance from scorpions provides basis for new drug

BIRMINGHAM, AL - June 1, 2005 - TransMolecular, Inc., a biotechnology company focused on cancer drug research, today announced the initiation of a phase II open-label, multiple-dose study of intracavitary administered ¹³¹I-TM-601 in adult patients with recurrent high-grade glioma. The company plans to have more than 12 sites participating in the study. Sites currently participating include City of Hope National Medical Center, Duarte, CA; Florida Hospital, Orlando, FL; Northwestern University, Evanston, IL; Saint Louis University, St. Louis, MO; Saint Mary's Health Care, Grand Rapids, MI; and University of Alabama at Birmingham, Birmingham, AL.

"On the strength of the results of our phase I/II data that showed good safety and tolerability, we are very excited to advance this program into phase II development. We are proud to be working on a product that could fill a need for safe, more effective treatment for those who suffer from this devastating disease," said Lyle A. Hohnke, Ph.D., chairman of the board and acting CEO of TransMolecular and a partner at Tullis-Dickerson & Co., Inc., an investor in the company.

¹³¹I-TM-601 is a radiopharmaceutical containing a synthetic version of chlorotoxin, a substance derived from scorpion venom. Chlorotoxin, or TM-601, specifically seeks out and binds to a receptor expressed on tumor cells, but not on normal cells. TM-601 acts as the guidance system that very effectively delivers a radioactive payload to its target, precisely killing the tumor cells and minimizing collateral damage to normal cells. ¹³¹I-TM-601 has received Orphan Drug and Fast Track Development Program status from the FDA.

The Phase II study will be conducted in two parts, both involving adult patients with recurrent high-grade glioma. The first sequence is an open-label dose escalation, multi-dose study. Four cohorts of patients will be treated postoperatively at escalating dose levels until the Maximum Practical Dose (MPD) is reached or until determination of the Maximum Tolerated Dose (MTD). After the MPD or MTD is reached, this dose will be expanded in the second trial sequence.

The second trial sequence is an open-label, randomized study in a larger group of patients. Patients will receive either a three- or six-dose treatment cycle at the previously determined MPD or MTD to evaluate the safety, time to disease progression and survival rates after treatment.

The company anticipates that in the first sequence of the study, three patients will be enrolled in each dose cohort. An additional group of three patients may be enrolled at a given dose based on safety. In the second sequence, a total of 54 patients will be randomized in two equal groups treated with either one cycle of three or one cycle of six repeat doses of intracavitary ¹³¹I-TM-601.

ABOUT GLIOMA

Glioma is highly invasive, sending cancerous cells throughout the brain and spinal cord. Surgical techniques fail to eradicate the tumor and other adjuvant therapies are inadequate. Brain cancers are among the most difficult and expensive cancers to treat. About 36,000 primary brain tumors are reported in the U.S. each year; of these, more than 17,000 are diagnosed with high-grade gliomas. About half of these patients die within the first year, according to the American Cancer Society.

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. Research on TransMolecular's product pipeline based on a small peptide derived from scorpion venom that will be useful in treating a wide variety of cancers is continuing in Birmingham, Alabama, where the company's corporate offices and research laboratories are located. More information can be found at www.transmolecular.com.