

Verva Announces AUD 2M Financing and Results of Annual General Meeting

Melbourne, Australia (13 May, 2011). Verva Pharmaceuticals Ltd. is pleased to announce that the Company has completed an AUD 2 million financing (in two tranches) by current investors GBS Venture Partners Ltd. (through the Genesis IIFF Trust), Queensland Biocapital Funds Pty Ltd. and Uniseed (through the Universities Innovation Investment Trusts). The investors were issued dividend-bearing Class A preference shares with associated redemption rights and liquidation preferences. The funds will be used to complete the ongoing phase 2a clinical trial in type-2 diabetes with the company's lead product VVP808 as well as preclinical work on target identification and validation.

The Series A investment, along with the terms of Series A preference shares, was approved by shareholders at Verva's Annual General Meeting, held Friday 29 April 2011. At this meeting shareholders also:

- (a) re-elected Dr. Andrew Baker and Dr. Ian Nisbet as Directors; and
- (b) elected Dr. Kathy Nielsen as a Director
- (c) approved a further investment of up to AUD 500,000 (Class A preference shares) that may be made available to institutional or sophisticated investors¹ within the next 6 months.

Further details of these resolutions are available on the Verva Pharmaceuticals website <http://www.vervapharma.com/investors/notices-and-reports/>

About Verva

Verva Pharmaceuticals Ltd. is a clinical-stage pharmaceutical company developing novel therapies to treat diabetes and to prevent and treat obesity. Verva's lead product VVP808 is a non-thiazolidinedione, non-PPAR-modulating insulin sensitiser currently undergoing phase 2a clinical proof-of-concept testing in type 2 diabetes. The active ingredient of VVP808 was originally approved in North America over 50 years ago in an unrelated indication. Its unexpected anti-diabetic activity was identified using Verva's proprietary GES discovery platform. VVP808 clinical data are expected in Q1, 2012. In preclinical studies VVP808 also demonstrated additional benefits such as weight and fat loss and potential glucose-lowering synergy in combination with metformin. In addition to VVP808, Verva's pipeline includes: (i) a program to elucidate the molecular target responsible for the VVP808 glucose lowering effect; (ii) a drug discovery program developing next-generation insulin sensitizers based on VVP808 structure and mode-of-action; and (iii) preclinical proof-of-concept with two obesity-focused technologies that block *de novo* fat formation. Further information can be found on the company's website www.vervapharma.com.

¹ As defined in Section 708 of the Corporations Act 2001 (Cwlth)

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