



Elixir Pharmaceuticals Raises \$46 Million

Proceeds to Support Portfolio of Products to Treat Metabolic and other Age-related Diseases

CAMBRIDGE, Mass., November 28, 2006 -- Elixir Pharmaceuticals, Inc., announced today the Company has closed a Series C and venture debt financings, raising a total of \$46 million. The financing included \$31 million in equity funding and \$15 million in venture debt placement.

William K. Heiden, Elixir's President and Chief Executive Officer, stated, "The Series C financing reflects the continued advancement of Elixir and its product portfolio. These funds provide us with the opportunity to advance our leadership position in the innovation and development of next-generation therapeutics for the treatment of major metabolic disorders, as well as to treat and prevent a broader range of age-related diseases."

The Series C funds will be used to support:

- clinical and regulatory activities supporting a US registration for Glufast[®], a small molecule for the treatment of Type 2 diabetes
- pre-clinical activities to support an IND filing for EX-1314, a small molecule ghrelin agonist for a variety of metabolic disorders
- lead-optimization and IND-enabling pre-clinical studies for a small molecule ghrelin antagonist for the treatment of Type 2 diabetes and obesity
- research and discovery efforts focused on a number of novel targets in aging and metabolism, for example
 - SIR T: where Elixir holds a substantial IP position with novel composition of matter, broad utility claims, and proprietary know-how and experience

Mr. Heiden continued, "We have several significant milestones that we expect to achieve over the coming months, each of which will add value for Elixir and its shareholders. I am particularly enthusiastic about the progress being made in our internally developed ghrelin antagonist program, one of the most exciting targets currently being studied for the treatment of metabolic disease."

The financing was led by MPM Capital with participation from current investors including ARCH Venture Partners, and Oxford BioScience Partners, as well as new investors CDIB, JAFCO, and YFY Bioscience. The venture debt was provided by Hercules Technology Growth Capital, Inc. (NASDAQ: HTGC).

Ansbert Gadicke, M.D., Founding General Partner of MPM Capital, commented, "Elixir continues to be one of the most promising of the MPM portfolio companies, and we are pleased to be leading this round of financing. Under the leadership of Bill Heiden and his senior management team, Elixir has made tremendous progress, over the past two years. Bill and his team have expanded the product portfolio, continued

advancing internal programs, and are making and publishing key insights regarding the links between aging and metabolic disease. The global wave of baby boomers will bring more and more attention to the enormous potential impact of Elixir's discoveries and therapeutics on our society and healthcare."

About Elixir Pharmaceuticals

Elixir is a Cambridge, MA-based biopharmaceutical company focused on developing and commercializing drugs to treat and prevent metabolic disease, prevent age-related diseases, extending the quality and length of human life. The Company is working across a number of targets implicated in the control of human lifespan and metabolism, such as SIR T1 where the Company has brought experience and IP.

Elixir is advancing a novel proprietary potent, orally available ghrelin antagonist through lead optimization and is preparing to nominate a clinical candidate. Compounds are currently being evaluated in *in-vivo* models of Type 2 diabetes and obesity, both of which represent exciting drug development targets in metabolic disease and multi-billion dollar product opportunities.

Leveraging its knowledge of ghrelin biology and pharmacology, Elixir licensed a small molecule ghrelin agonist (designated EX-1314) from Bristol-Myers Squibb Company in April 2005. This compound is a novel, orally available agent that stimulates the body's release of growth hormone, mimicking the body's naturally occurring ghrelin by binding to the growth hormone secretagogue (GHS) receptor. An orally acting GHS agonist has the potential to enhance the body's own growth hormone-releasing pattern, thus affording a wide range of potential therapeutic applications, including cancer cachexia (as an initial indication), other cachexias, and gastroparesis.

In March 2006, Elixir in-licensed North and South American rights to Glufast[®] (mitiglinide calcium hydrate), an insulin secretagogue, which lowers post-meal glucose levels by improving the body's own ability to produce insulin. Already marketed in Japan, Glufast has undergone extensive clinical development demonstrating the product's ability to safely and effectively treat Type 2 diabetes.

More information about Elixir is available at <http://www.elixirpharm.com/>

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