

Contact:

Jane Green, for Peloton Therapeutics
415.348.0010 phone
415.652.4819 cell
jane@jmgcomm.com

Peloton Therapeutics Completes \$18 Million Series A Financing

Series A Complements \$11 Million Grant Award to Advance Novel Cancer Drug Pipeline

DALLAS – July 27, 2011 – Peloton Therapeutics, Inc., an early-stage cancer drug discovery and development company, has announced the completion of an \$18 million Series A financing. Led by The Column Group and joined by Remeditex Ventures and Peter O'Donnell, Jr., the Series A funds supplement a recently awarded \$11 million grant from the Cancer Prevention and Research Institute of Texas (CPRIT).

Peloton officials said the company will focus initially on advancing several well differentiated oncology programs, each of which has already yielded promising lead compounds with novel mechanisms of action. Peloton leveraged its close relationship with the University of Texas Southwestern Medical Center to in-license these programs, providing a kick-start to its internal research and development capabilities. Peloton's goal is to become a leading oncology company generating a sustainable pipeline of cancer therapies that are designed to enhance outcomes and treatment practices.

The Company was founded by renowned scientist Steven L. McKnight, Ph.D., who is recognized as one of the world leaders in gene regulation based in part on his discovery of leucine zipper proteins. Dr. McKnight is Chairman of Biochemistry at UT Southwestern and holds the Distinguished Chair in Basic Biomedical Research and the Sam G. Winstead and F. Andrew Bell Distinguished Chair in Biochemistry. The high-throughput screening laboratory Dr. McKnight built at the medical center over the past decade has seeded the Peloton pipeline with a number of attractive compounds that are well positioned for lead optimization.

“Peloton has the potential to emerge as a top-notch cancer company, distinguished by its scientific rigor, drug discovery capabilities, and talented team,” Dr. McKnight said. “Peloton is off to a strong start in advancing its therapeutic programs quickly and effectively.”

Peloton's Board of Directors includes Nobel Laureate Michael S. Brown, M.D., Regental Professor of the University of Texas System and Director of UT Southwestern's Erik Jonsson Center for Research in Molecular Genetics and Human Disease; John W. Creedy, CEO, Remeditex Ventures; David V. Goeddel, Ph.D., Managing Partner, The Column Group; Tim Kutzkey, Ph.D., Partner, The Column Group; and Brett A. Ringle, President, Remeditex Ventures. John A. Josey, Ph.D., former Vice

President of Discovery Chemistry at Array BioPharma, Inc., will join Peloton as President and Chief Scientific Officer.

“Peloton’s respected leadership team and focus on cutting-edge cancer biology, as well as its relationships with UT Southwestern and CPRIT, make it an attractive investment opportunity with significant value-creation potential. We are pleased to support the Company’s ability to pursue its discovery and development goals,” said David V. Goeddel, Ph.D., Managing Partner, The Column Group.

CPRIT (www.cprit.state.tx.us) focuses on expediting the innovation and commercialization of cancer research – in turn increasing the potential for a medical or scientific breakthrough – and enhancing access to evidence-based prevention programs and services. CPRIT accepts applications from Texas-based public and private entities for grants to support a wide variety of cancer-related research projects and for the delivery of cancer prevention programs and services.

“Peloton is an emblem of the emerging Texas-based biotechnology community, and CPRIT is delighted to contribute to its potential success in developing breakthrough cancer therapeutics and delivering significant value to cancer patients and their families. We anticipate a long and productive collaborative relationship,” said Jerry Cobbs, CPRIT’s Chief Commercialization Officer.

About Peloton

A peloton is a team of bicyclists who achieve great efficiency of motion through cooperative action. It is also the root of platoon, a nimble military unit with capabilities that exceed the sum of its component parts. Founded by Chairman of Biochemistry Steven L. McKnight of UT Southwestern Medical Center, Peloton Therapeutics represents a unique combination of innovative science, strong financial support from the Cancer Prevention Research Institute of Texas (CPRIT), and seasoned investors and management. Working in close collaboration with scientists at UT Southwestern, Peloton is advancing a promising discovery and development pipeline, comprised of several small molecule-based programs, each with a distinct target and mechanism of action. Peloton’s vision is to become a major biotech company in Dallas with a passion for discovering and developing novel cancer drugs. For more information, please visit www.pelotontherapeutics.com.

About UT Southwestern Medical Center

One of the premier academic medical centers in the nation, UT Southwestern integrates pioneering biomedical research with exceptional clinical care and education. UT Southwestern physicians provide care to more than 100,000 hospitalized patients and oversee nearly 2 million outpatient visits a year. Its three degree-granting institutions train nearly 4,400 students, residents and fellows each year, and its researchers undertake more than 3,500 research projects annually, totaling almost \$417 million in federal, state and private support. For information, visit www.utsouthwestern.edu

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