



PRESS RELEASE

PAION STARTS PHASE IIb STUDY WITH ITS SHORT-ACTING ANAESTHETIC/SEDATIVE CNS 7056 IN PATIENTS UNDERGOING COLONOSCOPY

- First patient dosed on 26 May 2010
- Evaluation of the safety and efficacy of CNS 7056 in colonoscopy
- Further supporting data for CNS 7056 compared to the gold standard, midazolam prior to Phase III
- Patient enrolment is expected to last approximately nine months

Aachen (Germany), 28 May 2010 – The biopharmaceutical company PAION AG (ISIN DE000A0B65S3; Frankfurt Stock Exchange, Prime Standard: PA8) today announces the start of a Phase IIb multiple dose study with the new short-acting intravenous anaesthetic/sedative CNS 7056 in patients undergoing colonoscopy.

The Phase IIb trial is a double-blind, randomized, parallel group study examining three doses of CNS 7056 compared with midazolam in 160 patients undergoing a colonoscopy. The patients will receive either one of three different doses of CNS 7056 or midazolam followed by “top-ups” (i.e. multiple doses) as required to maintain an adequate sedation level to undergo a standard colonoscopy procedure.

The study is being conducted in multiple sites in the U.S. It is designed to evaluate the safety of CNS 7056 and the success of the sedation, the time to peak sedation as well as the time to full recovery and discharge, in comparison to the gold-standard agent, midazolam. The patient enrolment is expected to last approximately nine months.

Based on the results of the successfully concluded Phase Ib and IIa studies, this Phase IIb study will further refine the optimal dose regimen before moving into Phase III.

“We are confident that this trial will add considerable value to the project,” commented Wolfgang Söhngen, CEO of PAION. “With the equity facility in place, we are under less pressure to close a deal this year, with the aim to achieve a more attractive deal. In addition we can negotiate from a stronger cash position.”

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About CNS 7056

CNS 7056 is an innovative short-acting general anesthetic/sedative. Sedatives are used, for example, in endoscopic procedures such as colonoscopies. After intravenous administration CNS 7056 rapidly induces the desired sedation. Importantly, this sedative effect quickly disappears. This rapid offset of the effect of the substance is due to its metabolism by tissue esterase enzymes that are widely distributed throughout the body. CNS 7056 is being developed as a sedative agent for day case procedures (procedural sedation) and for the

induction and maintenance of anesthesia. It could also be used as a sedative during artificial respiration in the Intensive Care Unit (ICU).

PAION is exploring partnering opportunities for the territories outside Japan, where the compound is partnered to Ono Pharmaceuticals in order to be able to initiate the development of CNS 7056 in other indications as early as possible.

About PAION

PAION is a biopharmaceutical company headquartered in Aachen, Germany and has a second site in Cambridge, UK. The company is specialized in developing and commercializing innovative drugs for the hospital-based treatment in indications for which there is a substantial unmet medical need. PAION has a "Search & Develop" business model, which is based on its core expertise in drug development. Where appropriate, particularly during the late stages of the clinical development, PAION seeks to collaborate with experienced partners.

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