

TRANSAVE, INC. RAISES \$35 MILLION THROUGH SERIES D CONVERTIBLE PREFERRED STOCK FINANCING

Monmouth Junction, New Jersey, March 31, 2008 – Transave, Inc., a biopharmaceutical company focused on developing innovative inhaled pharmaceuticals for the site-specific treatment of serious lung diseases today announced that it has raised an aggregate of \$35 million pursuant to its recently completed preferred stock offering. Joining the Company's Board are Richard Kollender from Quaker BioVentures and Steve Kraus from Bessemer Venture Partners, the lead investors in the Series D financing. Also participating in the financing were TVM Capital, Prospect Venture Partners, Fidelity Biosciences, Forbion Capital Partners and Easton Capital, all having previously taken a leading investment role in Transave.

"Proceeds from the financing will enable Transave to deliver Phase II proof of concept data for our lead clinical compound, ARIKACE™ (liposomal amikacin for inhalation). We are on track to have Arikace Phase II clinical data in cystic fibrosis patients that have *Pseudomonas* lung infections this year. In addition, Phase II bronchiectasis data will be available in the first half of 2009," said Tim Whitten, President and Chief Executive Officer of Transave.

Tim Whitten further commented, "We extend a hearty welcome to our newest Board Members, Rich Kollender and Steve Kraus who will add further depth to our Board. It is gratifying to receive significant financial support, not only from our highly-regarded new investors, but also from our existing investors. The new funding serves to validate the great strides Transave is making in our clinical programs based on our once-daily, next-generation liposomal pulmonary delivery technology. And perhaps more importantly, this financing will allow us to continue our mission to help patients that have serious chronic pulmonary infections."

The securities sold in this private placement have not been registered under the Securities Act of 1933, as amended, and may not be offered or sold in the United States in the absence of an effective registration statement or an applicable exemption from the registration requirements of the Securities Act. This press release shall not constitute an offer to sell or the solicitation of an offer to buy the convertible preferred stock.

About ARIKACE (liposomal amikacin for inhalation)

ARIKACE is a form of the antibiotic amikacin that is enclosed in nanocapsules of lipid called liposomes. This proprietary next-generation liposomal technology prolongs release of amikacin in the lung while minimizing systemic exposure. The treatment uses biocompatible lipids endogenous to the lung that are formulated into small (0.3 µm) neutrally charged liposomes that enable biofilm penetration and are highly efficient with very low lipid to drug ratio (0.6). ARIKACE can be effectively delivered through nebulization where the small aerosol droplet size (~3.0 µm) facilitates lung distribution. Two Phase II studies are currently being conducted in patients that have CF and *Pseudomonas* lung infections in Europe and the United States. An abstract on the top line European Phase II data in CF has been accepted for presentation at the 31st European Cystic Fibrosis Conference in Prague in June. ARIKACE has been granted orphan drug status in the United States by the FDA and orphan drug designation in Europe by the European Medicines Agency (EMA) for the treatment of *Pseudomonas* infections in patients with CF.

About Transave Inc.

Transave Inc is a biopharmaceutical company focused on the development of innovative, inhaled pharmaceuticals for the site-specific treatment of serious lung diseases. The company's major focus is developing antibiotic therapy delivered via next-generation liposomal technology in areas of high unmet need in respiratory disease. Transave is dedicated to leveraging its advanced



liposomal development and commercialization expertise, along with its intellectual property, to bring life extending and enhancing medicines to patients.

For more information about Transave's technology and development programs, visit www.transaveinc.com.

Contact Information:

Jennifer Corrigan

732-382-8898

jenn.corrigan@comcast.net