

PRESS RELEASE

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Tranzyme Pharma's Ghrelin Agonist TZP-102 Demonstrates Safety and High Oral Bioavailability in the Successful Completion of a Phase I Trial

RESEARCH TRIANGLE PARK, N.C. (June 17, 2008) - Tranzyme Pharma announced today the successful completion of a Phase I, placebo-controlled, single ascending dose study of its orally administered ghrelin agonist, TZP-102. TZP-102 is the second drug candidate from Tranzyme's internal R&D efforts to reach clinical development. It is a potent prokinetic agent initially being developed for the treatment of mild-to-moderate gastroparesis.

The Phase I study showed that TZP-102 has excellent oral bioavailability in man and is safe and well-tolerated at all five doses (10-80 mg) tested. Most importantly, all doses achieved plasma concentrations of TZP-102 above those associated with significantly increased rates of gastric emptying in a validated animal model. A multi-dose Phase I study of TZP-102 in healthy volunteers has been initiated and the company expects to begin its first proof-of-concept trial of TZP-102 in the fourth quarter of 2008.

TZP-102 is a product that complements Tranzyme's pipeline of first-in-class therapeutics for the treatment of both acute (hospital based) and chronic gastrointestinal and metabolic disorders with significant unmet medical needs. Whereas TZP-102 is expected to be developed for the management of chronic gastrointestinal disorders, Tranzyme's lead drug candidate, TZP-101, is an injectable ghrelin agonist being evaluated in two concurrent Phase IIb trials for the treatment of acute indications, severe gastroparesis and post-operative ileus (POI).

"Tranzyme's novel approach to drug discovery allows our compounds to retain the favorable characteristics of small molecules, such as the high oral bioavailability demonstrated by TZP-102, while exhibiting the characteristics of large biomolecules, such as tight receptor binding for high potency and exquisite target selectivity," stated Helmut Thomas, Ph.D., DABT, Sr. Vice President, Research and Preclinical Development of Tranzyme Pharma.

About TZP-102

TZP-102 is a first-in-class, orally administered GI prokinetic agent that acts by a mechanism distinct from previously developed products for gastrointestinal (GI) motility

disorders. TZP-102 is an agonist of ghrelin receptors found in both the upper and lower GI tract. The drug is expected to enter Phase II development in late 2008.

About Gastroparesis

Gastroparesis is an impairment or paralysis of upper gastrointestinal tract function characterized by delayed gastric emptying in the absence of mechanical obstruction. Symptoms of gastroparesis include post-prandial fullness, early satiety, abdominal pain, nausea, vomiting, and weight loss. Disease severity ranges from mild to severe. Gastroparesis is a major complication of diabetes leading to metabolic imbalance when liquid and food intake and absorption of oral medications is impaired. Gastroparesis may also result from abdominal surgery or be idiopathic in nature. Current medications for the treatment of gastroparesis are only moderately effective and many are associated with adverse neurological side effects. It is estimated that approximately 5 million patients suffer from gastroparesis in the United States.

About Tranzyme Pharma

Tranzyme Pharma is a clinical stage biopharmaceutical company focused on developing and commercializing breakthrough small molecule therapeutics for diseases where there is a significant unmet medical need. Tranzyme has developed a pipeline of novel drugs for the treatment of gastrointestinal and metabolic diseases. For more information, please visit: www.tranzyme.com.

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