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**EDA, QUAKER BIOVENTURES WILL PARTNER IN NEW VENTURE FUND
TO INVEST \$40 MILLION IN N.J.-BASED EMERGING BIOTECH COMPANIES**

TRENTON, N.J. (Aug. 31, 2004) – The New Jersey Economic Development Authority (EDA) has entered into a 10-year limited partnership agreement with Quaker BioVentures to create and manage the \$10 million Garden State Life Sciences Venture Fund that will make investments in emerging life sciences companies in New Jersey.

The \$10 million commitment, which will come from residual Business Employment Incentive Program (BEIP) funds, will leverage at least \$30 million from other funds managed by Quaker. The goal of the fund is to stimulate profitable investments in New Jersey companies engaged in the life sciences while driving economic growth.

“This agreement marks a major step toward fulfilling Gov. James E. McGreevey’s commitment to stimulate new investments and create jobs in the life sciences industry,” said State Treasurer John McCormac. “It’s another example of how the Governor’s enhancements to the BEIP give businesses new tools to grow and thrive in New Jersey.”

“We are extremely pleased to be able to partner with Quaker BioVentures to boost biotech in New Jersey,” said EDA Chief Executive Officer Caren S. Franzini. “Quaker, which has total commitments of \$275 million, will help us meet the critical needs of emerging life sciences companies in New Jersey for financial support. Direct state investment in programs that provide new sources of capital for high-technology and life sciences companies in our state is an important component of New Jersey’s overall economic development strategy.”

“Quaker BioVentures is thrilled to work with the EDA to cultivate the life sciences community in New Jersey,” said Sherrill Neff, managing partner of Quaker BioVentures, a Philadelphia-based venture capital firm focused on investing in life sciences companies in the Mid-Atlantic region.

“With the abundance of large pharmaceutical companies, top-notch academic resources and life science entrepreneurs located in New Jersey, a very favorable opportunity exists to provide financing to a growing base of young life sciences companies. The Quaker BioVentures team is poised to identify, finance and help grow promising companies in New Jersey,” Neff added.

Creation of the new fund was strongly encouraged and supported by the Biotechnology Council of New Jersey. “The establishment of this fund and the naming of Quaker BioVentures, an experienced venture fund manager, is an important milestone in the history of biotechnology in this state,” said Debbie Hart, Biotechnology Council president. “We can now begin the process of funding our best and brightest, an ever-expanding pool. The Biotechnology Council of New Jersey has been pleased to be a partner in this process and commends Governor McGreevey, Treasurer McCormac, Caren Franzini and the EDA in their steadfast efforts to bring this to fruition.”

The Garden State Life Sciences Venture Fund will complement the EDA’s existing technology investment programs. These include the Springboard Fund II recoverable grant program, the New Jersey Seed Capital and New Jersey Technology Funding loan programs, real estate development efforts associated with the EDA’s Technology Centre of New Jersey and the Waterfront Technology Center at Camden projects, and the Authority’s investments in the New Jersey Technology Council Venture Fund.

About the EDA:

The EDA was established in 1974 to promote economic growth and create jobs. It has arranged more than \$16 billion in financing since its inception. For more information about the Garden State Life Sciences Venture Fund or any other EDA program for technology companies, call (609) 292-1800 or visit the EDA's website at www.njeda.com.

About Quaker BioVentures:

Quaker BioVentures is a Pennsylvania-based life science venture capital fund focused on investment opportunities in the Mid-Atlantic region, from New York to North Carolina. The fund targets opportunities across the healthcare sector, including human therapeutics, medical devices, platform technologies, diagnostics, and healthcare information technology and healthcare services. Please visit www.quakerbio.com to learn more.