

FOR IMMEDIATE RELEASE

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**Novalar Pharmaceuticals™
Raises \$27 Million in Series C Financing**

SAN DIEGO, CA MARCH 11, 2005 – Novalar Pharmaceuticals Inc.™, a specialty pharmaceutical company announced today the closing of a Series C round of financing totaling \$27 million. SR One led the financing, which also includes new investors Montreux Equity Partners, Genevest and previous investors Domain Associates and Boston Millennia Partners. With the closing of the financing, SR One Principal, Mark Strobeck, PhD will join the Board of Directors.

“The continued support and commitment from our current investors as well as the significant level of support received from our new investors is gratifying,” said Donna Janson, president and chief executive officer of Novalar Pharmaceuticals. “We look forward to working with our new investors and welcome Mark Strobeck, PhD to the Board of Directors. We greatly appreciate the additional experience and strategic value of our new investors, which will assist our company going forward.”

“SR One is excited to be supporting the Novalar team in their efforts to develop and market their leading product candidate NV-101, which addresses a major, unique market opportunity in the field of dentistry,” said Dr. Strobeck. “We believe that Novalar has the opportunity to develop and commercialize exciting new products in large and growing markets, and we look forward to working with management and the Board of Directors.”

The funds raised in this financing will be used to support pivotal clinical trials and the commercial launch of NV-101. With the closing of this financing, Novalar has now raised approximately \$35 million in equity funding since the company’s inception in 2000.

About Novalar Pharmaceuticals

San Diego-based Novalar Pharmaceuticals, Inc. is a privately held specialty pharmaceutical company. The company’s initial product offering, NV-101, has been developed to rapidly reverse the lingering and debilitating lip and tongue numbness associated with local dental anesthesia. For more information, visit us at www.novalarpharm.com.

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