

VLST Corporation Raises \$55 Million
First Accelerator Company to Complete Series B Financing

Seattle, WA (June 16, 2006) – VLST Corporation, a Seattle-based biotechnology company focused on the development of therapeutics for autoimmune and inflammatory disorders, today announced it has raised \$55 million in a Series B financing. The financing was led by Texas Pacific Group Ventures and included participation from existing investors MPM Capital, ARCH Venture Partners, OVP Venture Partners and Amgen Ventures. New investors MedImmune Ventures Inc. and WRF Capital, venture investment arm of the Washington Research Foundation, also participated in the financing.

“We are pleased with the substantial support that this financing provides as well as the quality of the healthcare investor syndicate participating in this funding round,” said Martin Simonetti, president and chief executive officer of VLST. “We appreciate their belief in our novel technology platform, potential products that address unmet clinical needs and the solid scientific and management teams we have built. This financing, which will be provided in three tranches based on company progress, should provide sufficient resources to advance our lead product candidate through a Phase 2 proof-of-concept clinical trial and bring two additional programs to IND filings while also providing for the continued development of our technology platform.”

The VLST platform uses novel bioinformatics and state-of-the-art proteomics to identify viral genes whose protein products function as immunomodulatory agents. The resulting product candidates will be either human homologues of these virulence factors or monoclonal antibodies that mimic the function of the virulence gene products. This approach allows for the efficient identification of high quality, pre-validated drug targets for the treatment of autoimmune and inflammatory disorders. Utilizing this platform, VLST has identified multiple novel product candidates for regulating immune responses.

“VLST has a talented and experienced team and a promising technology that holds significant potential for the rapid and efficient identification of appropriate drug candidates,” said Heather Preston, M.D. of Texas Pacific Group Ventures. “We look forward to the continued application of VLST technology and the resulting therapeutic drug candidates that will emerge from this innovative approach.”

VLST, co-founded by Drs. Craig Smith and Steven Wiley, was launched in May 2004 as one of the first start-ups to be funded by the Accelerator Corporation, an investment vehicle supporting the formation and development of next-generation biotechnology companies. VLST’s rapid evolution is, in part due to the Accelerator model, which provides state-of-the-art facilities, management and through its affiliation with the Institute for Systems Biology co-founded by Dr. Leroy Hood, it also provides access to world class scientific expertise. The Accelerator also provides dedicated value-added venture capital through its syndicate of top-tier venture capital firms. VLST currently has 12 employees and is housed within the Accelerator Corporation’s research facilities in the

vibrant Eastlake life science cluster in downtown Seattle. VLST will be relocating to its new headquarters at 201 Elliott Avenue West, Suite 450, Seattle, Wash. in early July.

Initial members of the VLST Board of Directors are: Steven Gillis, Ph.D., Chairman of the VLST Board representing ARCH Venture Partners; Martin Simonetti, president and chief executive officer, VLST; Heather Preston, M.D., Texas Pacific Group Ventures; Michael Steinmetz, Ph.D., MPM Capital; and Gerard Langelier, OVP Venture Partners.

About VLST

VLST Corporation is a privately held biotechnology company that has developed a novel and streamlined approach to speed the development of effective therapeutics for the treatment of inflammatory and autoimmune diseases. The VLST platform uses novel bioinformatics and state-of-the-art proteomics, to identify viral genes whose protein products function as immunomodulatory agents. The resulting product candidates will be either human homologues to these virulence factors or monoclonal antibodies that mimic the function of the virulence gene products. This approach allows for the efficient identification of high quality, pre-validated drug targets for the treatment of autoimmune and inflammatory disorders. The Company's technology has identified potential product candidates for the treatment of disorders such as multiple sclerosis, lupus, psoriasis, rheumatoid arthritis and diabetes. For more information, please visit www.vlstcorp.com.

About Accelerator Corporation

Accelerator Corporation, founded in 2003, is a privately-held biotechnology investment and development company located in Seattle, Washington, USA. The company is building the next generation of life-enhancing biotechnology companies by providing the resources critical to accelerating the development of nascent leading-edge biotechnologies. These key resources, provided by global life science leaders – Alexandria Real Estate Equities, Inc., Amgen Ventures, ARCH Venture Partners, MPM Capital, OVP Venture Partners and Versant Ventures, the Institute for Systems Biology and Accelerator Corporation - include committed capital from top-tier venture capital firms, state-of-the-art facilities, world-class scientific and technical expertise and support, and experienced biotechnology start-up business management and support. For more information, please go to: www.acceleratorcorp.com.

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