

Merrion Pharmaceuticals Plc
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Merrion Announces License Agreement with Novo Nordisk to Develop Oral Formulation of GLP-1 Receptor Agonist(s) – Novo Nordisk makes equity investment in Merrion

Merrion Pharmaceuticals (IEX:MERR) and Novo Nordisk A/S (NYSE: NVO), a world leader in diabetes, have entered into a Development and License Agreement to develop and commercialise oral formulations of a Novo Nordisk proprietary GLP-1 receptor agonist, using Merrion's proprietary GIPET® technology. This is the second license agreement between the two companies concerning Merrion's GIPET® technology – the first agreement for the development of oral insulin analogues was signed in November 2008.

Under this new license agreement Merrion will receive up to US\$58 million for the first product developed under the agreement to reach the market based on achievement of certain development, regulatory and sales milestones as well as royalties on sales. Novo Nordisk is responsible and will pay for the development and commercialisation of the product candidates. Merrion is responsible for the development and manufacture of the initial clinical batches, with the work overseen by a joint development committee. Novo Nordisk and Merrion have collaborated since 2007 to test the utility of Merrion's GIPET® technology in preclinical models.

The agreement also provides Novo Nordisk with the ability to develop additional oral formulations of Novo Nordisk GLP-1 receptor agonist compounds using Merrion's proprietary absorption enhancing GIPET® technology. Merrion will be due additional milestone payments for any additional products developed under the agreement.

Novo Nordisk is subscribing for 300,000 new ordinary shares in Merrion Pharmaceuticals at a price of €3 per share. An application for admission to trading of these shares has been made to the Irish Stock Exchange and is expected to take place on 20 January 2009.

“This second partnership with Novo Nordisk builds on the first oral insulin analogue agreement signed in November 2008” said John Lynch Chief Executive Officer of Merrion. “We believe that this development further demonstrates the potential for long term partnership between our two companies and also enhances our capacity to develop our other products and technologies”

“We are happy to have signed this partnership agreement with Merrion, to use the GIPET® technology in developing potential oral formulations of Novo Nordisk's proprietary GLP-1 receptor agonists. This partnership is another step in Novo Nordisk's research efforts in developing new treatments for people with diabetes” said Peter Kurtzhals, Senior Vice President, Novo Nordisk's Diabetes Research Unit.

In November 2008, Merrion announced a separate Development and License Agreement with Novo Nordisk to develop and commercialise oral formulations of Novo Nordisk's proprietary Insulin analogues, using Merrion's proprietary GIPET® technology. Under this (Nov 08) agreement Merrion will receive up to US\$58 million milestones for the first product developed under the agreement to reach the market based on achievement of certain development, regulatory and sales milestones as well as development fees and royalties on sales.

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