



Aero Pharmaceuticals
TransGenex Nanobiotech

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PRESS RELEASE

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Aero Pharmaceuticals, Inc. and TransGenex Nanobiotech, Inc. Sign a Letter of Intent for Technology and Product Development Collaboration

Boca Raton, Florida and Tampa, Florida, March 17, 2006. Aero Pharmaceuticals, Inc.(Aero) and TransGenex Nanobiotech, Inc. (TGN) announced today they have entered into an agreement with the intent to jointly develop and commercialize proprietary prescription and OTC pharmaceutical products.

The development process will include TGN's proprietary immediate release and controlled release technologies that will be applied to reformulate existing allergen immunotherapeutic products including allergen vaccines as injectables, oral or sublingual delivery systems. Aero will participate in technology development and project funding and will retain the right of first refusal to commercialize any subsequent products as a result of the collaboration. TGN's lead project, TGN108 applies unique ultra-sensitive nanoparticle technology to allergen immunotherapy. Other development projects target specific allergens and method of delivery.

Mr. Rick Aloi, President and CEO, Aero Pharmaceuticals, Inc. said "We are very excited to enter into a collaborative development arrangement with TGN for potentially new allergy and respiratory related products. TGN's allergy and respiratory technology and product development focus closely matches Aero's strategic direction today as well as our future plans." Dr. Shyam Mohapatra, a co-founder of TransGenex said "TGN's technology and know-how for cutting edge science has been demonstrated via its patented technologies SiPlex™ and ULTraPID™ that are being applied to and may improve conventional immunotherapeutic therapies. We are convinced that millions of U.S. allergy sufferers are eagerly awaiting

alternative delivery methods for ‘shot therapy’ and may consider TGN’s therapies a vast improvement. We are equally excited about this collaboration with Aero as this is the first step for us to bring these new therapies to market.”

Aero Pharmaceuticals, Inc. (Aero) is a privately held specialty pharmaceuticals company founded in 1997 and focused therapeutically in allergy, respiratory and dermatologic diseases. In addition to offering allergenic extracts as part of Aero’s product portfolio, Aero markets and distributes, through its 45 person respiratory and dermatologic sales force, ten (10) pharmaceutical products including AeroHist™, AeroTuss™12, AeroKid™, Prelone®, AeroHist™ Plus.

TransGenex Nanobiotech, Inc. (TGN) is a R & D nanobiotechnology company incorporated in 2004 and has its mission is to develop and commercialize novel nanoparticle platform technologies for the diagnosis and treatment of human diseases. TGN has licensed key patents from the University of South Florida. TGN seeks to: 1) develop ultra-sensitive, nanoparticle-based technology platforms for early disease detection; and 2) discover and develop nanoparticle formulations and nano-encapsulation methods for use against novel targets to treat acute and chronic lung diseases and cancers.