



PRESS RELEASE

PAION ANNOUNCES INITIATION OF CLINICAL DEVELOPMENT ACTIVITIES WITH SHORT-ACTING ANAESTHETIC/SEDATIVE CNS 7056 (ONO'S DEVELOPMENT CODE: ONO-2745) BY ITS PARTNER ONO PHARMACEUTICAL IN JAPAN

- Japanese Phase I study initiated

Aachen (Germany), 4 February 2010 – The biopharmaceutical company PAION AG (ISIN DE000A0B65S3; Frankfurt Stock Exchange, Prime Standard: PA8) today announces that its Partner ONO Pharmaceutical Co., Ltd. (“ONO”) has initiated the first Japanese Phase I study with CNS 7056. ONO is planning to develop CNS 7056 initially for the induction and maintenance of anaesthesia for the Japanese market. The rights to develop and market CNS 7056 for the Japanese market were granted to ONO in 2007.

Dr. Wolfgang Söhnngen, CEO of PAION commented, *“We welcome the clinical activities of ONO in the fields of anaesthesia and ICU sedation. As we have full access to the data, this will allow us to learn from the results with continuous infusion, which will be necessary in ICU sedation and anaesthesia, prior to starting these developments in our territory. For the time being we will continue to focus on procedural sedation with a “Bolus plus Top-ups” regime, which is current practice. The ONO development underscores the overall commercial potential of CNS 7056.”*

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About CNS 7056

CNS 7056 is an innovative short-acting general anaesthetic/sedative that is initially being developed by PAION for use in minor medical interventions (procedural sedation). Sedatives are used, for example, in endoscopic procedures such as colonoscopies. After intravenous administration CNS 7056 rapidly induces the desired sedation. Importantly, this sedative effect quickly disappears. This rapid offset of the effect of the substance is due to its metabolism by tissue esterase enzymes that are widely distributed throughout the body. CNS 7056 is being developed as a sedative agent for day case procedures and for the induction and maintenance of anaesthesia. It could also be used as a sedative during artificial respiration in the Intensive Care Unit (ICU).

PAION is exploring partnering opportunities for the territories outside Japan, where the compound is partnered to ONO Pharmaceuticals in order to be able to initiate the development of CNS 7056 in other indications as early as possible.

About PAION

PAION is a biopharmaceutical company headquartered in Aachen, Germany and has a second site in Cambridge, UK. The company is specialized in developing and commercializing innovative drugs for the hospital-based treatment in indications for which there is a substantial unmet medical need. PAION has a “Search & Develop” business model, which is based on its core

expertise in drug development. Where appropriate, particularly during the late stages of the clinical development, PAION seeks to collaborate with experienced partners.

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