



EpiCept and GNI Form Partnership to Develop Liver Disease Drug in Asia

Tokyo, Japan, and Tarrytown, New York, July 16, 2008 – GNI Ltd., a leading biopharmaceutical company in Japan and China, and EpiCept Inc., a U.S.-based biotech company, announced today that they have reached agreement for GNI to develop a new therapeutic drug, EP1013, in Asia, Australia, and New Zealand, for liver diseases induced by viral hepatitis. EpiCept will retain the rights in the rest of the world. GNI's wholly owned subsidiary, Shanghai Genomics, will start preparation for IND-enabling and clinical development in China immediately.

EP1013 is a di-peptide small molecule compound with potent inhibitory effect on caspases, a class of enzymes critical for cell death and inflammatory response. Initial tests of EP1013 by EpiCept and Shanghai Genomics have shown promising efficacy in animal models of liver failure, brain ischemia, and myocardial infarction. EP1013 was discovered by EpiCept scientists and is covered by patents in the U.S., China, and other key territories.

Liver disease is a “national” disease in China with more than 20 million people affected by HBV virus infection. The late stage of HBV infections is characterized by the dysfunction of liver cells and chronic cell death. Although liver transplantation may help some patients, it is costly and requires a long waiting period. Inhibiting liver cell death and inflammation may improve patients' liver function. A novel therapy for liver diseases represents a large market opportunity for GNI in China and Japan. GNI intends to complete toxicology and PK studies to prepare for an IND filing with the Chinese SFDA as soon as possible.

Dr. Ying Luo, Chief Executive Officer of GNI and Shanghai Genomics, said, “Both in-house development and external co-development are important components of our R&D strategy. EP1013 is complementary to F351, our drug candidate which is in Phase I trial for liver fibrosis. Developing these two products in Asia can establish us as a leading player in liver disease therapy.”

“We are pleased to establish this collaboration to accelerate the development of EP1013 for a therapeutic area which is outside of our core focus areas in oncology and pain management. Caspase inhibitors may provide a new therapeutic modality for the treatment of degenerative diseases that involve apoptotic cell death” added Jack Talley, President and CEO of EpiCept.

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About GNI

Founded in 2001, GNI is a clinical-stage drug development company with headquarters in Japan and major operation China. After years of discovery research, the Company has built a portfolio of drug candidates in cancer and inflammatory disease areas. In June 2005, GNI acquired Shanghai Genomics, which operates an integrated drug discovery and development platform in Shanghai, China. The combined strength of GNI and Shanghai Genomics has resulted in research collaboration with major international pharmaceutical companies. The Company is also in the process of acquiring Hengshan Pharmaceuticals, which has more than 15,900 square meter Chinese SFDA certified GMP manufacture facility near the central Shanghai and nationwide sales/distribution network in China. For further information, please visit www.gnipharma.com and www.shanghai-genomics.com.

About Epicet

EpiCept is focused on unmet needs in the treatment of cancer and pain. The Company's broad portfolio of pharmaceutical product candidates includes several pain therapies in clinical development and a lead oncology compound for AML with demonstrated efficacy in a Phase III trial; a marketing authorization application for this compound recently received a negative opinion and is being re-examined in Europe. In addition, EpiCept's ASAP technology, a proprietary live cell high-throughput caspase-3 screening technology, can efficiently identify new cancer drug candidates and molecular targets that selectively induce apoptosis in cancer cells. Two oncology drug candidates currently in clinical development that were discovered using this technology have also been shown to act as vascular disruption agents in a variety of solid tumors.

This press release contains "forward-looking" statements, including statements related to GNI's plans to pursue development of product candidates and the timing thereof. Any statements contained in this press release that are not statements of historical fact may be deemed to be forward-looking statements. Words such as "can," "intends," "may," and similar expressions are intended to identify these forward-looking statements. There are a number of important factors that could cause GNI's results to differ materially from those indicated by these forward-looking statements, including risks associated with the timing and success of clinical trials and regulatory requirements. GNI does not undertake any obligation to update forward-looking statements.