



Press Release

GPR17-Targeting Compounds Identified by Omeros Promote Myelination

-Remyelination May Provide a Novel Treatment for Multiple Sclerosis Patients-

SEATTLE, Nov. 15, 2012 /PRNewswire/ -- Omeros Corporation (NASDAQ: OMER) today announced that GPR17-targeting compounds, which were previously identified by Omeros in connection with unlocking this orphan receptor, have now been demonstrated to promote differentiation of the cells that form myelin in the central nervous system. Myelin is critical for the proper functioning of the nervous system, and demyelination is associated with multiple nervous system disorders, including multiple sclerosis (MS), traumatic brain or spinal cord injury, stroke and Alzheimer's disease. Using its proprietary high-throughput Cellular Redistribution Assay, Omeros believes that it alone has identified compounds that interact with GPR17, an orphan G protein-coupled receptor (GPCR).

"These data are very encouraging," stated Bruce Trapp, Ph.D., founder and chief scientific officer of Renovo Neural Inc. (RNI), chairman of the Department of Neurosciences at the Lerner Research Institute, Cleveland Clinic, and professor of neurosciences at Case Western Reserve University. "There are no approved remyelinating therapeutics, and the compounds under development by Omeros could lead to the first oral agents able to stimulate sufficient remyelination to restore neural function. This would represent a breakthrough in the treatment of currently irreversible demyelinating diseases, such as MS and other devastating myelin-related disorders." The data were generated through Omeros' collaboration with RNI, a company focused on remyelination research to accelerate drug development for demyelinating neural diseases.

"GPR17 represents one of Omeros' unlocked GPCRs that we are advancing through medicinal chemistry," said Gregory A. Demopoulos, M.D., chairman and chief executive officer of Omeros. "The biology of the receptor – its strong link to remyelination – has been well documented, and Omeros now has identified over 90 compounds that functionally affect its signaling, and many of these are highly potent. These compounds are drawn from multiple classes of structurally diverse and tractable small-molecules, enabling the development of proprietary drugs that could restore function in patients faced with severely progressive or traumatic demyelinating neural disorders."

Ongoing GPCR Program

Omeros is screening orphan GPCRs against its small-molecule chemical libraries using its proprietary, high-throughput cellular redistribution assay (CRA). The CRA detects receptor antagonists, agonists and inverse agonists. Omeros has announced that it has identified and confirmed sets of compounds that interact selectively with 46 orphan receptors linked to metastatic melanoma (GPR19), esophageal squamous cell carcinoma and obesity-related type-2 diabetes (GPR39), hepatocellular carcinoma (GPR80), several types of cancer

(GPR65/TDAG8), squamous cell carcinoma (GPR87), ovarian cancer (GPR150), pancreatic cancer (GPR182), acute lymphoblastic leukemia (P2Y8/P2RY8), ovarian and prostate cancer (OGR1), arterial stiffness (GPR25), sleep disorders (OPN4), cognitive disorders (GPR12), torpor or "suspended animation" and bipolar disorder (GPR50), anxiety disorders (GPR31), schizophrenia (GPR52, GPR153), autism (GPR63), bipolar disorder and schizophrenia (GPR78), memory and inflammatory conditions (GPR83), psychotic and metabolic disorders (GPR27, GPR85, GPR173), cognition (GPR151), cognitive impairments (MAS1), inflammatory responses (GPR32), obesity and diabetes (GPR21), appetite control (GPR82, GPR101), immunological disorders (CCRL2), rheumatoid arthritis and HIV-mediated enteropathy (GPR15), respiratory and immune disorders (GPR141), humoral immunity (GPR183), multiple sclerosis (GPR17), osteoarthritis (GPR22), motor control (GPR139), congenital cataracts and birth defects of the brain and spinal cord (GPR161), regulation of hematopoietic stem cell differentiation (GPR171), cancer stem cells and the self-renewal and maintenance of adult stem cells (LGR4), long-term wound repair, including the formation of new hair follicles (LGR6) and pain (MRGE). In addition, Omeros has unlocked GPR20, GPR45, GPR135, GPR162, MRGF and OPN5, which have not yet been definitively tied to any specific indications but are expressed preferentially in the gastrointestinal tract (GPR20), brain (GPR45, GPR135 and GPR162) and eye, brain, testes, spinal cord (OPN5) and dorsal root ganglia (MRGF).

About G Protein-Coupled Receptors

GPCRs, which mediate key physiological processes in the body, are one of the most valuable families of drug targets. According to Insight Pharma Reports, GPCR-targeting drugs represent 30 to 40 percent of marketed pharmaceuticals. Examples include Claritin® (allergy), Zantac® (ulcers and reflux), OxyContin® (pain), Lopressor® (high blood pressure), Imitrex® (migraine headache), Reglan® (nausea) and Abilify® (schizophrenia, bipolar disease and depression) as well as all other antihistamines, opioids, alpha and beta blockers, serotonergics and dopaminergics.

The industry focuses its GPCR drug discovery efforts mostly on non-sensory GPCRs. Of the 363 total non-sensory GPCRs, approximately 240 have known ligands (molecules that bind the receptors) with nearly half of those targeted either by marketed drugs (46 GPCRs) or by drugs in development (about 82 GPCRs). There are approximately 120 GPCRs with no known ligands, which are termed "orphan GPCRs." Without a known ligand, drug development for a given receptor is extremely difficult.

Omeros uses its proprietary high-throughput CRA to identify small-molecule agonists and antagonists for orphan GPCRs, unlocking them to drug development. Omeros believes that it is the first to possess the capability to unlock orphan GPCRs in high-throughput, and that currently there is no other comparable technology. Unlocking these receptors could lead to the development of drugs that act at these new targets. There is a broad range of indications linked to orphan GPCRs including cardiovascular disease, asthma, diabetes, pain, obesity, Alzheimer's disease, Parkinson's disease, multiple sclerosis, schizophrenia, learning and cognitive disorders, autism, osteoporosis, osteoarthritis and several forms of cancer.

About Omeros Corporation

Omeros is a clinical-stage biopharmaceutical company committed to discovering, developing and commercializing products targeting inflammation, coagulopathies and disorders of the central nervous system. The Company's most clinically advanced product candidates are derived from its proprietary PharmacoSurgery™ platform designed to improve clinical outcomes of patients undergoing a wide range of surgical and medical procedures. Omeros

has four ongoing clinical development programs. Omeros may also have the near-term capability, through its GPCR program, to add a large number of new drug targets and their corresponding compounds to the market. Behind its clinical candidates and GPCR platform, Omeros is building a diverse pipeline of protein and small-molecule preclinical programs targeting inflammation, coagulopathies and central nervous system disorders.

Forward-Looking Statements

This press release contains forward-looking statements as defined within the Private Securities Litigation Reform Act of 1995, which are subject to the "safe harbor" created by those sections. These statements include, but are not limited to, the potential for GPR17-targeting compounds to treat nervous system disorders, such as MS; that the compounds identified by Omeros could lead to the development of proprietary drugs; and that Omeros may have capability, through its GPCR program, to add a large number of new drug targets and their corresponding compounds to the market. Forward-looking statements are based on management's beliefs and assumptions and on information available to management only as of the date of this press release. Omeros' actual results could differ materially from those anticipated in these forward-looking statements for many reasons, including, without limitation, the risks, uncertainties and other factors described under the heading "Risk Factors" in the Company's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on November 9, 2012. Given these risks, uncertainties and other factors, you should not place undue reliance on these forward-looking statements, and the Company assumes no obligation to update these forward-looking statements publicly, even if new information becomes available in the future.

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