

Hydra Biosciences and Cubist Form Collaboration to Develop Novel Ion Channel Drugs for Pain Management

October 19, 2009, CAMBRIDGE, Mass – Hydra Biosciences today announced that they have entered into an agreement with Cubist Pharmaceuticals, Inc. (NASDAQ: CBST) for a joint collaboration to develop novel ion channel drugs. The deal focuses on Hydra's research and development program for ion channel compounds that target the TRPA1 receptor, which is believed to have an important role in pain management.

Under the terms of the agreement, Hydra receives an upfront payment of \$5 million from Cubist. The agreement allows for Cubist to support Hydra's internal development on the TRPA1 program by providing \$5M in research and development funding per year for two years, with an option to renew. The joint development program will build on the existing R&D base of Hydra's TRPA1 compounds, preclinical data, and pharmacology studies. As the collaboration progresses into potential future stages, Hydra is eligible for potential development milestones and royalties on products produced from the joint program. The goal of the program is to identify TRPA1 drug candidates for use as acute care therapeutics for the management of pain.

"As we continue to build an acute care pipeline, we are excited to develop a partnership with Hydra that provides us access to a novel platform for developing acute care therapeutics for the management of pain," said Steven Gilman, Ph.D., Chief Scientific Officer of Cubist Pharmaceuticals.

"We are pleased to collaborate with Cubist and to advance innovative drug candidates using our ion channel platform," said Russell Herndon, Chief Executive Officer of Hydra Biosciences. "While our platform has potentially broad applications in the treatment of pain, inflammation, cardiovascular and other diseases, this collaboration is a step forward in advancing our pipeline for novel ion channel drugs for pain management."

About Ion Channels

Aberrant ion channel activity has been implicated in many diseases, including hypertension, cardiac arrhythmias, gastrointestinal disorders, cystic fibrosis and pathological pain. Many drugs on the market today act on ion channels, either directly or indirectly, including calcium channel blockers for hypertension and angina, and sodium channel blockers for pain. Hydra Biosciences' TRP channel discovery program has identified numerous modulators predicted to impact diseases such as pain and inflammation, hypertension and pulmonary diseases. Many of these modulators have been shown to be efficacious in animal models of disease. In addition, ion channels have been successful drug targets, with modulators of ion flux representing up to 17 percent of world pharmaceutical sales.

About Hydra Biosciences

Hydra Biosciences, a biopharmaceutical company based in Cambridge, Massachusetts, develops drugs to treat pain, inflammation, pulmonary diseases and other disorders using its expertise in novel ion channels. Hydra Biosciences' proprietary platforms enable the company to identify and develop drug candidates that address significant unmet medical needs. More information about Hydra Biosciences is available at: www.hydrabiosciences.com.

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