

CEO's Perspective



invest

Developing New Therapies that Address Cancer-Treatment Resistance

Tumours may develop resistance to treatment by producing clusterin, a protein identified as important in resistance by researchers at Vancouver General Hospital in 1998. OncoGenex Pharmaceuticals is developing a drug designed to stop the production of this protein, inhibiting the cancer cell's resistance mechanism. This may enable the initial therapy to retain its tumour cell killing activity and help improve patients' life expectancy.

OncoGenex currently has five product candidates in its pipeline. Our lead product candidate, OXG-011, is positioned to start three Phase III clinical trials: two for prostate cancer in 2010 and one for lung cancer by early 2011. The National Cancer Institute (US) estimates that in 2009, approximately 192,280 new cases of prostate cancer will be diagnosed in the US. It is the most frequently diagnosed cancer among men. OXG-011 has completed Phase II trials for use in the treatment of prostate, lung and breast cancers. A second drug candidate, OXG-427, is in clinical trials for prostate and bladder cancer.

In 2009, we reported encouraging results from OXG-011 Phase II trials. In a randomized control trial, OXG-011 provided a 39% decrease in the rate of death from prostate cancer, extending median survival by 6.9 months. In a separate Phase II prostate trial, substantial pain palliation was observed. Based on these results, OXG-011 has the potential to improve survival time and quality of life for patients with this disease. Similarly, in our non-small cell lung cancer trial, OXG-011 extended the expected survival rate from 8 - 10.8 months to just over 14 months.

OncoGenex has also made significant financial advances. We now have sufficient funding to sustain the company for the foreseeable future. The company went public in August 2008 by successfully executing a reverse takeover of Sonus Pharmaceuticals. We are now a NASDAQ-listed company (OGXI) and posted a 400-500% escalation in our share price in 2009. At the end of 2009, we completed a partnership with Teva Pharmaceutical Industries, one

Company Facts and Statistics

Year founded:	2000
Number of employees:	24
Product:	Cancer treatments
Website:	www.oncogenex.com
Working Opportunity Fund's initial investment:	September 2003
Amount invested to November 30, 2009:	\$6.5 million

of the world's largest generic pharmaceutical companies, which will fully fund the final phase of development for OXG-011. In addition to a \$60 million upfront payment, the partnership provides up to approximately \$370 million in milestone payments as well as up to mid-twenties royalty rates.

Working Opportunity Fund, managed by GrowthWorks*, was instrumental in the development of OncoGenex, helping provide sufficient funding to develop our initial products and generate the clinical data that enabled us to go public and to collaborate with Teva.

Scott Cormack, President & CEO

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