



Algeta announces first cancer patient treated in phase I/IIa trial of Alpharadin in combination with docetaxel chemotherapy

Combination study offers potential to extend Alpharadin use to prostate cancer patients who can tolerate chemotherapy

Oslo, Norway, 11 August 2010 – Algeta ASA (OSE: ALGETA), the focused oncology company, announces that it has treated the first patient in a phase I/IIa trial of Alpharadin in combination with docetaxel. The trial aims to recruit up to 60 men with bone metastases resulting from castration-resistant (hormone refractory) prostate cancer (CRPC). Docetaxel chemotherapy is the current standard treatment for metastatic CRPC.

Alpharadin (radium-223 chloride) is a first-in-class alpha-pharmaceutical with a highly tolerable safety profile that in clinical trials, has demonstrated potent antitumor effect targeting bone metastases in prostate cancer patients. In September 2009, Algeta signed an agreement with Bayer for the development and commercialization of Alpharadin.

Alpharadin is currently being evaluated in a global Phase III clinical trial (ALSYMPCA) to treat bone metastases resulting from CRPC, with overall survival as the primary endpoint. ALSYMPCA is recruiting from the approximately 50% of patients who are ineligible for treatment with docetaxel (based on clinical status and safety concerns) and those patients for whom chemotherapy is ineffective. This new combination study therefore will determine if the use of Alpharadin can be safely combined with docetaxel in patients who have bone metastases and can tolerate chemotherapy.

The new trial (BC1-10), being conducted at the Memorial Sloan-Kettering Cancer Center in New York and up to nine other centers in the USA, was initiated on schedule in June 2010, and is an open-label, randomized phase I/IIa study. The objective of the study is to establish a recommended dose of Alpharadin to be used in combination with docetaxel in patients with bone metastases from CRPC, to investigate safety and to explore efficacy of the recommended combination dose.

In the first part of the study, Alpharadin will be administered intravenously in a dose-escalating regimen in combination with standard docetaxel treatment (every three weeks). The maximum dose of Alpharadin will be 50 kBq/kg body weight every six weeks for five cycles.

In the second part of the study, patients will be randomized to receive standard docetaxel treatment every three weeks, or Alpharadin in combination with standard docetaxel treatment at the recommended dose.

Michael J Morris, MD, Principal Investigator of the BC1-10 trial at the Memorial Sloan-Kettering Cancer Center, said, "Targeting both the tumor cell with chemotherapy and the bone microenvironment with an alpha-pharmaceutical such as Alpharadin is a novel approach and I am enthusiastic about leading this new study."

Gillies O'Bryan-Tear, Algeta's Chief Medical Officer, said: "We are pleased to begin the combination study with Alpharadin and docetaxel and especially excited to be working with Dr. Morris, an internationally recognized prostate cancer expert at the

Memorial Sloan-Kettering Cancer Center, one of the world's leading cancer hospitals. This study is an important step in Alpharadin's development: if it can establish a safe Alpharadin dose in combination with chemotherapy and then demonstrate an efficacy benefit, this would suggest that we could potentially expand the population of prostate cancer patients who may benefit from treatment with Alpharadin."

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About Algeta

Algeta is a focused oncology company developing novel targeted therapies for patients with cancer based on its alpha-pharmaceutical platform.

Algeta's lead product Alpharadin (based on radium-223) is a first-in-class, highly targeted alpha-pharmaceutical under clinical evaluation to improve survival in patients with bone metastases from advanced cancer. Its localized action helps preserve the surrounding healthy tissue thereby limiting side-effects.

The development of bone metastases represents a serious development for cancer patients as they are associated with a dramatic decline in patient health and quality of life, ultimately leading to death. Bone metastases represent a major unmet medical need, occurring in up to 90% of certain late-stage cancers, e.g. prostate, breast and lung.

Alpharadin is being developed under a development and commercialization agreement with Bayer Schering Pharma AG, a major pharmaceutical company, and is in a global phase III clinical trial (ALSYMPCA) to treat bone metastases resulting from hormone-refractory (castration-resistant) prostate cancer. Alpharadin is also under investigation in phase II clinical trials as a potential new treatment for bone metastases in endocrine-refractory breast cancer patients.

Algeta also aims to develop a future pipeline of tumor-targeting alpha-pharmaceutical candidates based on the alpha particle emitter thorium-227, through selective in-licensing and/or acquiring innovative technologies and tumor-targeting molecules.

The Company is headquartered in Oslo, Norway, and was founded in 1997. Algeta listed on the Oslo Stock Exchange in March 2007 (Ticker: ALGETA).

Alpharadin and Algeta are trademarks of Algeta ASA.

Forward-looking Statement

This news release contains forward-looking statements and forecasts based on uncertainty, since they relate to events and depend on circumstances that will occur in the future and which, by their nature, will have an impact on results of operations and the financial condition of Algeta. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements. These factors include, among other things, risks associated with technological development, the risk that research & development will not yield new products that achieve commercial success, the impact of competition, the ability to close viable and profitable business deals, the risk of non-approval of patents not yet granted and difficulties of obtaining relevant governmental approvals for new products.

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