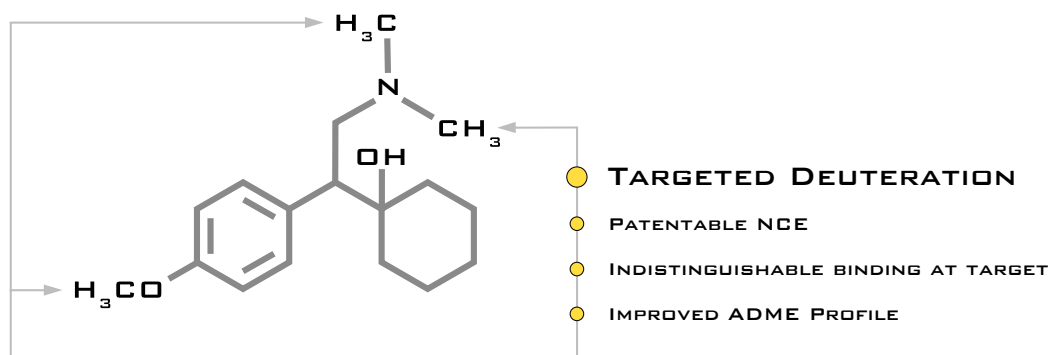
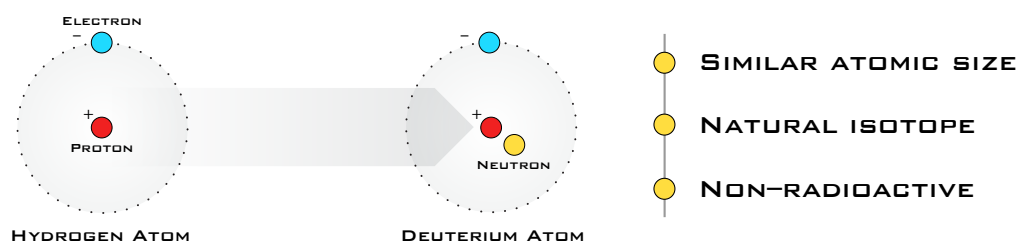


Auspex Pharmaceuticals is a pioneer in developing deuterated analogs of clinically validated drugs, investing in this activity since 2004 and owning the earliest and most extensive patent estate in the field. The Company has applied this strategy to drug molecules across multiple therapeutic areas, resulting in a broad intellectual property estate of more than 200 compounds for which composition of matter patents have been filed. Our clinical candidates are patentable New Chemical Entities (NCEs) that can be progressed through an accelerated development path, as the usual biological questions of activity and safety have already been demonstrated clinically. The mitigated risk profile of these products will allow rapid entry into markets with patent protection and improved therapeutic profiles.



**AUSPEX MANAGEMENT & BOARD**

**Pratik Shah, PhD**  
Executive Chairman,  
Thomas, McNerney & Partners

**Andreas Sommer, PhD**  
Chief Operating Officer

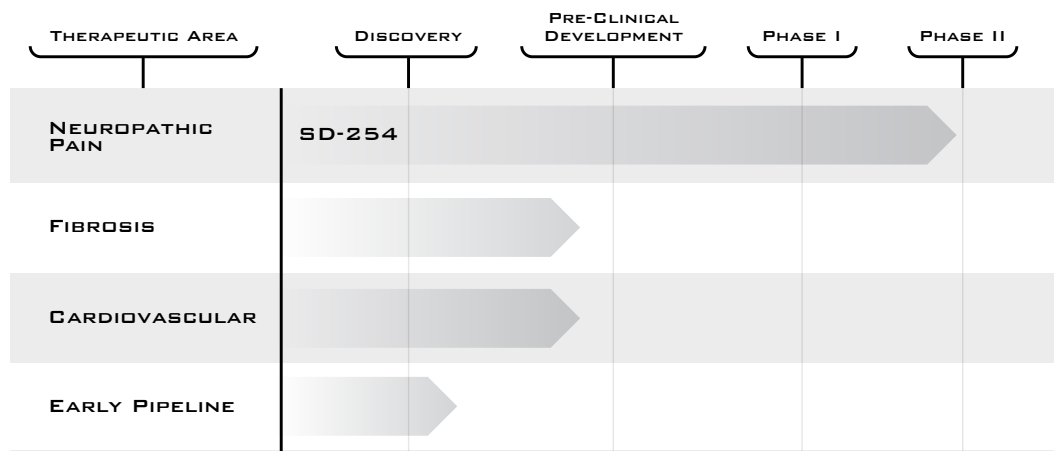
**Gary Gilmore**  
Chief Financial Officer

**David Collier, MD**  
Director, CMEA Capital

**Sep Sarshar, PhD**  
Founder & Director, Sloan Biotech Funds

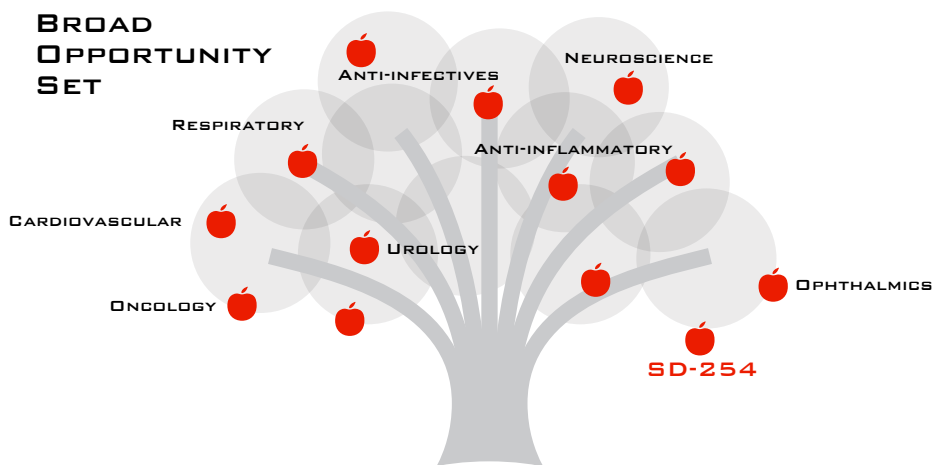
The concept of deuteration is based on a principle known as the kinetic isotope effect (KIE). Deuterium has twice the mass of hydrogen, but is identical in size. This results in a stronger carbon-deuterium bond that is more resistant to metabolic oxidation than the parent drug (which contains a carbon-hydrogen bond). Yet, because the size, shape and electrostatic nature of the molecule remain unchanged, all the molecular pharmacology properties of the drug remain intact. What sets this approach apart is the ability to generate a new chemical entity with improved pharmacokinetic characteristics, while leaving all other properties unchanged.

“Auspex” is the latin word for an auspice, a person who by observing the flight of birds is able to predict the future. Ancient Romans believed that auspices could ensure success by interpreting various signs from the gods, and we take this name to infer the Company’s ability to efficiently develop novel medicines from the existing knowledge and clinical experience of successful pharmaceuticals.



Auspex is developing a number of fast followers to some of the best selling drugs on the market. Potential metabolic and pharmacokinetic improvements that result from deuteration of the parent drug will be an added benefit that could allow Auspex's products to capture a larger share of the market vs. current therapies. Due to the lower cost, reduced risk and shorter timelines of development, the Company's products represent an outstanding opportunity for investors and pharmaceutical partners.

We are building a pipeline of high potential drug candidates, as is shown in the pipeline summary. Since deuterated analogs have the same pharmacological properties as the parent drugs, our programs are able to progress from discovery to completed phase 1 human clinical trials in only ~12-18 months.



In November 2008, Auspex received a US patent (US 7,456,317) on SD-254, a deuterated version of Effexor™, a Selective Serotonin-Norepinephrine Reuptake Inhibitor (SNRI). Auspex has the earliest and most extensive patent portfolio employing 'targeted deuteration', and intends to leverage its know-how and expertise through a series of licensing and development partnerships.

As a first proof of concept, the Company advanced SD-254 through two Phase 1 clinical trials in late 2008 and demonstrated an improved profile for SD-254 when compared to Effexor™. Data from these two human Phase 1 pharmacokinetic studies demonstrated that SD-254 exhibits characteristics that may provide greater efficacy and a better safety profile. Furthermore, SD-254 showed significantly reduced inter-subject variability and this could translate into a "one dose fits all" approach, in contrast to the dose titration that is generally necessary with Effexor™.

The Auspex approach builds on the experience gained from the development of market leading medicines, resulting in a very focused and low risk development program. SD-254 has significant therapeutic potential in indications such as chronic neuropathic pain. In addition, we plan to generate human Phase 1 data on three additional pipeline drug candidates in order to identify additional products suitable for later stage clinical development.

Auspex has successfully shown that selective deuteration of an existing drug leads to a patentable NCE with an accelerated development path. As fast followers, Auspex's NCEs stand to capture a significant market position in its chosen therapeutic areas. The expected properties that result from strategic deuteration should further enhance their commercial potential.