Chiasma Provides Updates on Scientific Achievements

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Jerusalem, Israel, January 12, 2009 – Chiasma, Inc. today made the following announcements:

- Using the Company's proprietary Transient Permeability Enhancer (TPE) technology, scientists at Chiasma have delivered drugs orally in animal models that previously had only been available via injection. The TPE platform has successfully transported proteins, peptides, polysaccharides and non-soluble small molecules into the blood to achieve clinically meaningful bioavailability levels. The TPE technology is protected by 2 families of patents owned by Chiasma.
- The investors in the Company's Series A Preferred Stock --- ARCH Venture Partners, MPM Capital, 7 Health Ventures, Ofer Hi-Tech and F2-ventures --- have invested a total of $9 million and committed an additional $2 million, subject to certain milestones, through the purchase of the Company's Series B Preferred Stock. This financing takes into account a recapitalization of the company's equity structure to reflect that all previous preferred investments are now categorized as part of the Series A Preferred Stock.

- Chiasma has reorganized its Board of Directors and Management team, which is now led by Fredric Price, Executive Chairman and Acting CEO. Mr. Price was formerly Chairman of Omrix Biopharmaceuticals and Chairman & CEO of BioMarin Pharmaceutical. Roni Mamluk, PhD, has been promoted to General Manager and Vice President, R&D. Scott Minick of ARCH, Todd Foley of MPM, Dalia Megiddo, MD, of 7 Health Ventures and Bard Geesaman, MD, PhD, of GPCRX and F2 have been elected to the Board; Shay Dubi, MD, PhD, of Ofer HiTech has been named a Board Observer

Fredric Price said, "Chiasma has undergone a successful transformation recently with the evidence that the TPE system has applicability to a wide range of molecules in multiple animal models. Our challenge is to achieve results in humans that are as effective as what we have been able to accomplish in animals, and we are focused on entering the clinic later this year. We are proceeding with drugs that, if approved with the TPE system, will be the first oral delivery for each particular molecule. Our first-to-market strategy relates to both drugs which we license to third parties as well as drugs for which we initiate development activities on our own and subsequently seek to enter into partnerships in which we retain certain development and commercialization rights."

"Most macromolecular drugs such as peptides and proteins cannot be taken orally and have to be administered by intravenous, subcutaneous, or intramuscular injection," noted Roni Mamluk, PhD. "Bypassing the biological hurdles preventing oral delivery of such drugs may improve a patient's quality of life through the elimination of injections and, in specific cases, even reduce undesired side effects.

"We have recently demonstrated that administration of protein drugs formulated with the TPE technology to rats and pigs resulted in blood levels comparable to those achieved after injection of these drugs. The similarity in outcomes in both rodents and large animals as well as the capability to use the technology with drug molecules of varying sizes and characteristics is encouraging and paves the way for our first trials in humans."

Dr. Mamluk continued, "Chiasma has established a well-controlled, simple and costeffective manufacturing process in which no chemical modification of the drug takes place, and the drug is released in its original form to the blood. Moreover, the process is designed to ensure the activity and stability of the drug substance."

About Management, Investors and the Board

Fredric Price joined Chiasma as Executive Chairman of the Board of Directors in 2008 and is also Executive Chairman of the Board of Directors of Peptimmune, Executive Chairman of the Board of Directors of Glycadia, a member of the Board of Directors of Enobia Pharma, and a member of the Board of Directors of Pharmasset. In 2008, he stepped down after almost 4 years as Chairman of the Board of Omrix Biopharmaceuticals. Previously, he had been Chairman of the Board of Directors and Chief Executive Officer of BioMarin Pharmaceutical. He received a BA from Dartmouth College and an MBA from the Wharton School of the University of Pennsylvania.

Roni Mamluk, PhD, joined Chiasma in 2006 as director of preclinical development. Since that time, she has taken the leading role in establishing Chiasma's TPE oral delivery platform and is one of the primary inventors of this technology. She was promoted to General Manager & VP, R&D in 2008. Dr. Mamluk joined Chiasma from Adnexus Therapeutics, where she established and headed up preclinical research and development. Dr. Mamluk received a BA and a PhD (summa cum laude) from the Hebrew University and she held a post doctoral fellowship at Children's Hospital/Harvard Medical School in the field of angiogenesis.

Information on Investors and Board members from ARCH, MPM, 7 Health, F2 and Ofer can be found at: www.archventure.com; www.mpmcapital.com; www.7healthventures.com; www.f2-ventures.com; and www.oferhitech.com; respectively.

About Chiasma

Chiasma creates proprietary oral drug products that aim to lengthen the life cycle of compounds (increase market size and share) by addressing significant unmet clinical needs of injectable macro- and small molecules through the use of its Transient Permeability Enhancer (TPE) platform.

Chiasma's press releases and other company information are available online at www.ChiasmaPharma.com. Information on Chiasma's website is not incorporated by reference into this press release.

Forward-Looking Statements

This press release contains forward-looking statements about the business, goals and prospects of Chiasma, Inc., including, without limitation, statements about the development of drugs in the TPE system. These forward-looking statements are predictions and involve risks and uncertainties such that actual results may differ materially from these statements. Chiasma is under no obligation, and expressly disclaims any obligation, to update or alter any forward-looking statement, whether as a result of new information, future events or otherwise.