

Sunesis Pharmaceuticals Completes Second Tranche of Private Placement

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SOUTH SAN FRANCISCO, Calif., Nov 02, 2009 /PRNewswire-FirstCall via COMTEX News Network/ -- Sunesis Pharmaceuticals, Inc. (Nasdaq: SNSS) today announced the closing of a private placement of \$5.0 million of units consisting of convertible preferred stock and common stock warrants on October 30, 2009. This closing constitutes the second tranche of the private placement of up to \$43.5 million of Sunesis' securities announced in April 2009. The private placement contemplated the sale of up to \$15.0 million of units consisting of convertible preferred stock and warrants to purchase common stock, of which \$10.0 million of units were sold in the initial closing in April 2009 and the remaining \$5.0 million of units were sold in the second closing held on October 30, 2009. The remaining tranche of up to \$28.5 million of common stock may be invested at the election of the holders of a majority of the convertible preferred stock, in their sole discretion, with the date of termination of the preferred stockholders' right to make such an election subject to Sunesis Pharmaceuticals' future cash balance.

In connection with the second closing, Sunesis issued approximately 1.45 million shares of convertible preferred stock, which are convertible into approximately 14.5 million shares of common stock, and warrants to purchase approximately 14.5 million shares of common stock. The per unit purchase price for a share of convertible preferred stock and a warrant to purchase 10 shares of common stock was \$3.45, which is equivalent to the purchase price of the units sold in the initial closing in April 2009 in accordance with the terms of the private placement. The warrants issued at the first and second closings have an exercise price of \$0.22 per share and a term of 7 years from issuance.

Participants in the second closing of the private placement were the same investors that participated in the initial closing held in April 2009 and include funds managed by Bay City Capital, New Enterprise Associates, Alta Partners, Caxton Advantage Life Sciences Fund, Merlin Nexus, Nextech Venture, OpusPoint Partners, Venrock Associates and Vision Capital Advisors and members of Sunesis' management.

About Sunesis Pharmaceuticals

Sunesis is a biopharmaceutical company focused on the development and commercialization of new oncology therapeutics for the treatment of hematologic and solid cancers. Sunesis has built a highly experienced cancer drug development organization committed to advancing its lead product candidate, voreloxin, in multiple indications to improve the lives of people with cancer. For additional information on Sunesis please visit <http://www.sunesis.com>.

The securities to be issued in the private placement have not been registered under the Securities Act of 1933, as amended (the "Securities Act"), or any state securities laws and unless so registered may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws.

This press release contains forward-looking statements, including without limitation statements related to the completion of the remaining tranche of the financing transaction described in this press release. Words such as "may" and similar expressions are intended to identify forward-looking statements. These forward-looking statements are based upon Sunesis' current expectations. Forward-looking statements involve risks and uncertainties. Sunesis' actual results and the timing of events could differ materially from those anticipated in such forward-looking statements as a result of these risks and uncertainties, which include, without limitation, risks related to the completion of the remaining tranche of the financing transaction; risks related to Sunesis' need for additional funding; risks related to the terms of the financing transaction and securities to be issued; the risk that Sunesis' development activities for voreloxin, including enrollment and reporting of results, could be halted significantly or delayed for various reasons; and the risk that Sunesis' clinical trials for voreloxin may not demonstrate safety or efficacy or lead to regulatory approval. These and other risk factors are discussed under "Risk Factors" and elsewhere in Sunesis' Quarterly Report on Form 10-Q for the quarter ended June 30, 2009 and other filings with the Securities and Exchange Commission. Sunesis expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in the company's expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based.

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Investor and Media Inquiries:

Andrea Rabney
Argot Partners
212-600-1902

Eric Bjerkholt
Sunesis Pharmaceuticals
650-266-3717

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<http://www.sunesis.com>

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