

## **SARcode and Sunesis Announce Start of Phase 1 Clinical Trial in Ocular Inflammatory Diseases**

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SOUTH SAN FRANCISCO, Calif., Sept 05, 2008 /PRNewswire-FirstCall via COMTEX News Network/ -- SARcode Corporation, a private company focused on small molecule LFA-1 inhibitors to treat inflammatory diseases, and Sunesis Pharmaceuticals, Inc. (Nasdaq: SNSS) today announced SARcode's initiation of a Phase 1 clinical trial of a small molecule LFA-1 product candidate for T-cell mediated ophthalmic diseases. Sunesis and SARcode entered into a license agreement providing SARcode with an exclusive license to Sunesis' LFA-1 technology to develop LFA-1 inhibitors in March 2006.

"LFA-1 antagonists mediate both migration and adhesion of the white blood cells to sites of inflammation as part of the body's immune response," said Tom Gadek, Ph.D., chief executive officer of SARcode Corporation. "Lead indications for LFA-1 include dry eye and allergic conjunctivitis, both large indications with unmet medical needs. The results of this study will inform dose selection for several Phase 2 studies to commence in the first half of 2009."

"We congratulate SARcode on the progress they have made moving this program forward into the clinic," said Daniel Swisher, chief executive officer and president of Sunesis. "The LFA-1 inhibitor product candidate, which was discovered at Sunesis, has the potential to address immunological and inflammatory diseases, including dry eye syndrome. We look forward to SARcode's continued advancement of this novel compound."

As part of the license agreement, Sunesis has earned a milestone payment from SARcode of \$500,000 and a \$375,000 convertible note. The next payable milestone, if earned, will be for initiation of the Phase 2 clinical program.

### About SARcode

SARcode is a privately-held biopharmaceutical company focused on the development of best in class small molecule LFA-1 antagonists as novel nonsteroidal immunomodulators/ anti-inflammatory agents for the treatment of T-cell mediated inflammatory diseases.

### About Sunesis Pharmaceuticals

Sunesis is a clinical-stage biopharmaceutical company focused on the development and commercialization of new oncology therapeutics for the treatment of solid and hematologic 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 Pharmaceuticals, please visit

<http://www.sunesis.com>.

### Safe Harbor Statement

This press release contains forward-looking statements, including without limitation statements related to the potential payment of future milestones to Sunesis under its license agreement with SARcode. Words such as "will," "potential," "look forward," "ifs" 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, the risk that SARcode's drug development activities could be halted or delayed significantly for various reasons and the risk that Sunesis may not receive any future payments from SARcode under the license agreement. These and other risk factors are discussed under "Risk Factors," including the risk factors entitled "The commercial success of products resulting from our collaborations, if any, depends in whole or in part on the development and marketing efforts of our collaboration partners, over which we have limited control. If our collaborations are unsuccessful, our potential to generate future revenue from the sale of these products would be significantly reduced" and "If conflicts of interest arise between our collaboration partners and us, any of them may act in their self interest, which may be adverse to our interests," and elsewhere in Sunesis' annual report on

Form 10-K for the year ended December 31, 2007, its quarterly report on Form 10-Q for the quarter ended June 30, 2008 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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