

## Intellect Neurosciences Adds Two New Tau Programs to its Alzheimer's Disease Development Pipeline

### *Company Obtains Exclusive License from Northwestern University for Therapeutic and Diagnostic Antibodies Targeting Earliest Neurotoxic Forms of Tau Protein*

NEW YORK, May 7, 2012 - Intellect Neurosciences, Inc. (OTCBB:ILNS), a biopharmaceutical company engaged in the discovery and development of disease-modifying therapeutic agents for the treatment of Alzheimer's and other neurological diseases, today announced two new programs in its Alzheimer's disease development pipeline. The new programs are based on two antibodies that target early neurotoxic forms of Tau protein, which Intellect intends to develop for therapeutic and diagnostic uses.

Through an exclusive license obtained from Northwestern University, the company intends to develop and commercialize two proprietary antibodies, TauC3 and TOC-1, each of which targets certain abnormal forms of tau protein that are implicated in the nerve cell death that is characteristic to Alzheimer's disease and other tauopathies. The monoclonal antibodies were developed by Professor Lester Binder, Ph.D., the Abbott Laboratories, Duane and Susan Burnham Research Professor of Genetic and Molecular Medicine, at Northwestern University.

"Obtaining these two antibodies is a logical next step in positioning ourselves as a leader in Alzheimer's disease and other neurodegenerative disorders, as they add to our current approaches, which target tau proteins to develop new therapies for Alzheimer's disease. We intend to aggressively pursue the development of both antibodies, each of which has potential application in treating several diseases beyond Alzheimer's, including various orphan indications," said Dr. Daniel G. Chain, Chairman and CEO, Intellect Neurosciences. "Professor Binder has significantly advanced our understanding of Alzheimer's disease and related neurodegenerative diseases by generating these antibodies, which selectively target the most pathogenic forms of tau. As a result, they have permitted the identification of irreversible steps that occur at the earliest stages in these neurological diseases, making them optimal targets for early diagnostic purposes, for immunotherapeutic intervention strategies, and for measuring drug effectiveness. We believe this will be viewed as a valuable acquisition for Intellect Neurosciences."

Hyperphosphorylated neurofibrillary tangles, composed of insoluble aggregates of the microtubule-associated protein Tau, are a pathological hallmark of Alzheimer's disease. However, recent evidence indicates neuronal dysfunction precedes the formation of these insoluble fibrillar deposits, suggesting that earlier prefibrillar Tau proteins are neurotoxic. TauC3 is a monoclonal antibody that specifically targets a neoepitope that

is formed following the cleavage of intact tau protein by enzymes known as “executioner” caspases to yield the smaller delta tau, which has a higher capacity to aggregate. This pathological process is stimulated by an accumulation of amyloid beta in the brain of Alzheimer’s patients. TOC-1 is a monoclonal antibody that specifically targets a neoepitope present in neurotoxic oligomeric forms of the tau protein.

In exchange for the exclusive license, Intellect Neurosciences will make certain payments to Northwestern University upon the achievement of designated clinical and regulatory milestones and pay royalties on future potential drug sales.

#### About Intellect Neurosciences

Intellect Neurosciences, Inc., develops innovative approaches aimed at arresting or preventing Alzheimer’s disease and other neurodegenerative diseases, with a specific focus on proteinopathies. Intellect’s pipeline includes therapeutic vaccines, antibodies and neuroprotective antibody drug conjugates.

The company currently is developing products based on three platform technologies: ANTISENILIN® is Intellect’s Alzheimer’s beta amyloid monoclonal antibody platform technology, which underlies a product in Phase 3 clinical trials and is licensed to major pharmaceutical companies. ANTISENILIN also underlies IN-N01, a humanized monoclonal antibody being developed by the company as an antibody drug conjugate (ADC). IN-N01-OX2 is the first candidate to emerge from the company’s CONJUMAB-A platform technology, which is based on a novel application of antibody drug conjugates in which the antibody is chemically conjugated to a small molecule (OX2) that has potent neuroprotective properties both as an antioxidant and inhibitor of protein aggregation. RECALL-VAX is a therapeutic vaccine technology that underlies three preclinical drug candidates, RV01 and RVO2, which target beta amyloid and delta tau protein, respectively, and RVO3 which is a combination of the two.

The company recently licensed OX1, a small molecule multimodal antioxidant, to ViroPharma, Inc. for Friedreich’s Ataxia and other neurodegenerative diseases. For more information, please visit [www.intellectns.com](http://www.intellectns.com).

#### Safe Harbor Statement Regarding Forward--Looking Statements:

The statements in this release and oral statements made by representatives of Intellect Neurosciences relating to matters that are not historical facts (including, without limitation, those regarding future performance or financial results, the timing or potential outcomes of research collaborations or clinical trials, any market that might develop for any of Intellect’s product candidates and the sufficiency of Intellect’s cash and other capital resources) are forward--looking statements that involve risks and uncertainties, including, but not limited to, the likelihood that actual performance or results could materially differ, that future research will prove successful, the likelihood that any product in the research pipeline will receive regulatory approval in the United

States or abroad, or Intellect's ability to fund such efforts with or without partners. Intellect undertakes no obligation to update any of these statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as to the date hereof. Accordingly, any forward-looking statements should be read in conjunction with the additional risks and uncertainties detailed in Intellect's filings with the Securities and Exchange Commission, including those factors discussed under the caption "Risk Factors" in Intellect's Annual Report on Form 10-K (file no. 333--128226), filed on October 13, 2011, and in our Quarterly Report on Form 10-Q for the quarterly period ended December 31, 2011, which was filed on February 2, 2012.

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