



April 18, 2008

Dear Fellow Shareholder,

Over the past twelve months we have worked diligently toward our goal to bring innovative therapeutics for neurobiological diseases to the market. As a result, PTI has successfully completed a number of financial, corporate and developmental milestones as well as securing our intellectual property position. In recent months we raised \$1 million through a private equity placement, most of which will be used toward preclinical studies in preparation for our IND filing. The technology behind PT00114, our lead candidate for the treatment of anxiety and depression disorder and its mechanism of action, is gaining scientific recognition through the publication of four major studies.

PT00114 is a unique peptide formulation that selectively targets cells under stress without impacting normal unstressed cells. In preclinical animal models of stress and anxiety, PT00114 is efficacious at very low doses, has a rapid onset and long duration of action. As you may be aware, stress plays a major role in the development of anxiety and depression disorders, diseases that are among the fastest growing in western society. However current antidepressant medications were not developed to target neurobiological pathologies that are now considered central to the stress-linked causes of anxiety and depression. PT00114 targets the stress-responsive circuits of the brain to provide a new treatment paradigm for these disorders. With this innovative strategy, PTI is positioned to potentially benefit from the emergent need of more effective therapeutics with greater safety profiles.

With these scientific and corporate achievements we are now closer to the preclinical investigational new drug (IND)-enabling stage. In anticipation of IND filing, PTI has already started an intensive program in the lead formulation, manufacturing and analytical procedures development. As a result, we now possess a first generation formulation of the lead with a good stability profile which brings us closer to the clinical trial-ready product.

During 2008, we plan to complete chemistry, manufacturing and quality control studies, move PT00114 into preclinical toxicity studies. We are confident that our team will again meet the challenges for the upcoming year. The successful achievement of our goals are made possible by the commitment of our shareholders and dedication of everyone at PTI. Our team is strongly committed to bringing PT00114 into the clinic where our efforts have the potential to change the way anxiety and depression disorders are treated in the future.

Thank you for your support and I look forward to sharing more exciting developments with you in the months and years ahead.

GARO H. ARMEN, PhD
Chairman of the Board of Directors