



## FOR IMMEDIATE RELEASE

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### **CPEX Pharmaceuticals Signs Contract Manufacturing Agreement** *Secures Manufacturing Capacity for Intranasal Insulin Product Candidate* *Currently in Phase II Clinical Trials*

**Exeter, NH, August 12, 2008** – CPEX Pharmaceuticals, Inc. (NASDAQ: CPEX) today announced that it has signed an agreement that provides long-term, manufacturing capacity for Nasulin™, its intranasal insulin product candidate. Nasulin is currently in Phase II clinical trials for diabetes.

Under the contract manufacturing agreement announced today, DPT Laboratories will provide CPEX with capacity to supply Nasulin clinical materials in volumes sufficient for the remainder of Phase II trials and through Phase III trials. Should Nasulin be registered and approved by the Food and Drug Administration, the agreement also provides for validation of the manufacturing process and the opportunity for manufacturing capacity that CPEX expects will be sufficient for the first years of commercial marketing. CPEX expects to complete the Phase II Nasulin trials in mid-2010. CPEX is currently seeking a licensing partner to support Phase III trials and ultimately assist in taking Nasulin through regulatory approval and on to commercialization.

“This contract manufacturing relationship marks another important step in our strategic plan for the development of Nasulin. We are currently focused on completing Phase II trials of Nasulin and securing a partner for late-stage Nasulin development,” said CPEX President and Chief Executive Officer John A. Sedor. “Forming a relationship with a well regarded contract manufacturer like DPT will benefit CPEX in a number of ways. In the near term, securing manufacturing capacity for Nasulin provides us with an uninterrupted supply of product to complete our Phase II clinical activities and for subsequent Phase III trials. Longer term, by assuring that there needn’t be a gap between the supply of clinical materials and the supply of product for commercialization, the agreement potentially eliminates manufacturing delays that could affect bringing Nasulin to market. We believe this significantly enhances the value of Nasulin for potential partners.”

### **About CPEX Pharmaceuticals**

CPEX Pharmaceuticals, Inc. (NASDAQ: CPEX) is a specialty pharmaceutical company focused on the development, licensing and commercialization of pharmaceutical products utilizing CPEX’s

validated drug delivery technology. CPEX has U.S. and international patents and other proprietary rights to technologies that facilitate the absorption of drugs. CPEX has licensed applications of its proprietary CPE-215<sup>®</sup> drug delivery technology to Auxilium Pharmaceuticals, Inc., which launched its Testim<sup>®</sup> topical testosterone gel in 2003. CPEX also is developing an intranasal insulin product candidate, Nasulin, which is in Phase II clinical trials. CPEX maintains its headquarters in Exeter, NH. For more information about CPEX, please visit [www.cpexpharm.com](http://www.cpexpharm.com).

**Safe Harbor Statement under the U.S. Private Securities Litigation Reform Act of 1995:**

This press release contains forward-looking statements, including, without limitation, statements regarding the prospects and timetable for clinical trials and commercialization of Nasulin, and the future value of CPEX's contract manufacturing relationship with DPT Laboratories to provide supply of Nasulin through early commercialization of the product. These forward-looking statements are subject to a number of risks and uncertainties that could cause actual results to differ materially from future results expressed or implied by such statements. Factors that may cause such differences include, but are not limited to, risks associated with the following: CPEX's dependence on DPT Laboratories and other parties to manufacture clinical and commercial material, conduct clinical trials and commercialize Nasulin and other CPEX product candidates; clinical trials may not demonstrate the efficacy and safety of Nasulin, regulatory approvals may be delayed or not obtained, Nasulin may not achieve market acceptance, competition from other manufacturers of proprietary pharmaceuticals, intellectual property litigation, the unpredictability of patent protection, and other uncertainties detailed under "Risk Factors" in CPEX's Registration Statement on Form 10 dated June 17, 2008 in connection with the distribution of CPEX's common stock to stockholders of Bentley Pharmaceuticals. CPEX cautions investors not to place undue reliance on the forward-looking statements contained in this release. These statements speak only as of the date of this document, and CPEX undertakes no obligation to update or revise the statements, except as may be required by law.