
NEWS RELEASE**Provid Pharmaceuticals selected for hit-to-lead and lead optimization medicinal chemistry support for National Cancer Institute. □ □**

Piscataway, NJ June 1, 2004 - Provid Pharmaceuticals Inc. was awarded an SBIR phase I contract to support the validation and optimization of compounds emerging from the screening programs at the National Cancer Institute's Developmental Therapeutics Branch (DTP) Screening Technologies Program. Provid competed for the grant award on the basis of the company's expertise in lead discovery, medicinal chemistry lead optimization, and capabilities in structure-based drug design. □ □ The DTP screening program is a resource within the NCI that evaluates compounds against a large number of novel cancer-related targets developed by NCI scientists and extramural collaborators in academia. The NCI has limited medicinal chemistry capabilities, and sought proposals from companies to supply this expertise to the Institute. □ □ Provid's CEO, Dr. Gary Olson commented, "we are very pleased with the recognition of our capabilities to support projects emerging from the NCI. This is an excellent opportunity for Provid to gain access to new targets in oncology and other fields, and to contribute to the overall mission of the NCI." □ □ Provid is a chemistry-based drug discovery company with expertise in all aspects of medicinal chemistry, structure-based drug design, lead optimization, protein biochemistry and assay development. The company offers collaborative discovery services to biotech companies and other research groups to facilitate the transformation of their biologically driven research into valuable drug molecules. In addition, Provid pursues internal programs for the discovery of novel therapeutics for autoimmune diseases and neurological disorders based on a platform technology in the field of peptide mimetics. □ □ □

Disclaimer: This press release contains forward-looking statements as defined by the Private Securities Litigation Reform Act of 1995 regarding Provid's future activities and the potential for discovery of drug compounds, and involve a high degree of material risks and uncertainties. Many possible factors could affect future results and performance of Provid's research and development activities, and ability to develop pharmaceuticals based on the company's technology and the NCI targets. If Provid's efforts fail to perform as expected, or if any of a wide range of other risk factors are encountered and not surmounted, the company's financial condition and operating results may be materially and adversely effected.

About Provid

Provid Pharmaceuticals Inc. is a drug discovery company that has expertise in the design and optimization of drug candidates for biological targets, using concepts of structure-aided design, medicinal chemistry, and peptide mimetics technology. The company has applied this capability to internal programs in autoimmune disease and oncology. In addition, Provid supplies expert medicinal chemistry services to the biotech and pharmaceutical industries to translate early biological discoveries into commercial opportunities.

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