



DISCOVERY LABORATORIES, INC.

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FOR IMMEDIATE RELEASE:

DISCOVERY AWARDED EUROPEAN PATENT COVERING PROPRIETARY PEPTIDES FOR HUMANIZED PULMONARY SURFACTANT TECHNOLOGY

Doylestown, PA, October 7, 2002 – Discovery Laboratories, Inc. (Nasdaq: DSCO), a late-stage specialty pharmaceutical company leveraging its technology in humanized lung surfactants to develop novel respiratory therapies and pulmonary drug delivery products, announced today the issuance of European Patent No. 59006. The patent covers claims directed to compositions that contain the peptide KL₄ (sinapultide) and related KL peptides for use as a therapeutic surfactant for treating respiratory distress syndrome and related conditions. Discovery's humanized surfactant technology platform and its lead product Surfaxin[®], are based on KL₄'s, proprietary peptide engineered to mimic human pulmonary surfactant.

Surfactants are protein/lipid compositions that are produced naturally in the lungs and are critical to breathing. There are four known surfactant proteins, of these four, surfactant protein B (SP-B) has been found to be the most important and essential to proper respiratory function. The KL₄ peptide, the subject of Discovery's newly-issued patent, has been engineered to be an exact mimic of human SP-B.

“Surfactant replacement therapy has potential to address life threatening disorders and large pharmaceutical market opportunities,” said Robert J. Capetola, Ph.D., President and CEO. “This surfactant therapy has only been in existence for approximately ten years and is in its embryonic stage in traditional medical and pharmaceutical industry terms. Currently available animal-derived products were approved in the 1990's, but because of the limitations of these products, they are only applied to one indication. To my knowledge, we are currently the only company with the technology to produce high quality humanized surfactants for several respiratory diseases. This patent is the newest addition to our broad portfolio consisting of over 30 issued or pending patents worldwide, protecting our composition of matter, utility, manufacturing and process technologies. Our extensive patent portfolio, as well as the Orphan Drug designation of Surfaxin for several indications, positions us to be the leader in surfactant technology for respiratory therapies in critical care markets as well as for use in broad non-critical care, and ambulatory applications, involving potentially several billion dollar markets.”

A lack or deficiency of surfactant is associated with several severe respiratory diseases including acute lung injury, acute respiratory distress syndrome, severe asthma and chronic obstructive

pulmonary disease. Currently available animal-derived surfactants have been effective in treating premature infants that lack surfactant, but several drawbacks and limitations of these products such as, a lack of protein, inconsistency of product quality, limited supply, and high manufacturing cost make it difficult to treat other respiratory diseases. Presently, Discovery is developing the only humanized, engineered version of natural human lung surfactant for the treatment of respiratory diseases that can be produced economically, in large quantities as a high quality pharmaceutical without risk of potential transmission of animal-borne diseases or adverse immunological reactions.

About Discovery Laboratories

Discovery Laboratories, Inc. is a specialty pharmaceutical company leveraging its platform technology in humanized lung surfactants to develop novel respiratory therapies and pulmonary drug delivery products. The Company's technology is being developed initially for critical care patients with life-threatening respiratory disorders where there are few or no approved therapies available. Surfaxin[®], the Company's lead product, is currently in two pivotal Phase 3 multinational clinical trials for Respiratory Distress Syndrome (RDS) in premature infants, a Phase 3 clinical trial for Meconium Aspiration Syndrome (MAS) in full-term infants, and a Phase 2 clinical trial for Acute Respiratory Distress Syndrome (ARDS) in adults. Aerosol formulations of the Company's humanized surfactant technology are being developed in an effort to treat other respiratory conditions such as asthma and as a novel pulmonary drug delivery vehicle to render drugs more effective when delivered to or via the respiratory tract. To serve the critical care marketplace, the Company is developing a dedicated sales and marketing capability through a collaboration with Quintiles Transnational Corp. for the United States, and has a strategic alliance with Laboratorios del Dr. Esteve S.A. for Europe and Latin America. Interested parties can receive corporate updates by sending their email addresses to dsc@focuspartners.com. More information about Discovery Laboratories is available on the Company's Web site at www.discoverylabs.com.

To the extent that statements in this press release are not strictly historical, including statements as to future financial conditions, events conditioned on stockholder or other approval, or otherwise as to future events, such statements are forward-looking, and are made pursuant to the safe harbor provisions of the Securities Litigation Reform Act of 1995. The forward-looking statements contained in this release are subject to certain risks and uncertainties that could cause actual results to differ materially from the statements made. Among the factors which could affect the company's actual results and could cause results to differ from those contained in the forward-looking statements contained herein are the risk that financial conditions may change, risks relating to the progress of the company's research and development and the development of competing therapies and/or technologies by other companies. Those associated risks and others are further described in the company's filings with the Securities and Exchange Commission.

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