



Discovery Labs Adds Two Senior Executives to Its Commercial Organization

Doylestown, PA — November 18, 2004 — Discovery Laboratories, Inc. (Nasdaq: DSCO), today announced the appointment of two senior level commercial operations executives; Steven J. Gavel as Vice President of Sales and Thomas F. Miller, Ph.D., MBA, as Vice President of Marketing. Reporting directly to Mark G. Osterman, Discovery's Senior Vice President of Sales and Marketing, Mr. Gavel and Dr. Miller will be responsible for building a premier pulmonary sales and marketing organization including the management and execution of all related activities. Discovery will initially focus on the anticipated United States launch of its lead product Surfaxin[®] for the prevention of Respiratory Distress Syndrome (RDS) in premature infants. The FDA is presently reviewing Discovery's New Drug Application for clearance to market Surfaxin for RDS.

"Steve and Tom have extensive experience in launching and expanding markets for several hospital-based and specialty products. They have a clear understanding of our target physician population and the existing markets," commented Mark G. Osterman. "Our strategy is to first establish a strong presence within Neonatal Intensive Care Units (NICU) in the United States through intensive strategic activities including scientific publications, medical meetings and interactions with the neonatal community responsible for the care of premature infants suffering from RDS. We feel that the NICU market is largely unchallenged. We plan to enter this market with Surfaxin, which we believe has the potential to ultimately displace the use of animal-derived products in the United States, and thus become the worldwide standard of care for infants who suffer from RDS. As we further develop Surfaxin and our Surfactant Replacement Therapy (SRT) in aerosolized formulations through nasal CPAP administration, we intend to target other highly prevalent respiratory diseases within the NICU including Bronchopulmonary Dysplasia. Upon approval, Steve and Tom's experience and drive will be key to launching Surfaxin, our first in class, scientifically validated, precision-engineered surfactant."

Mr. Gavel will be responsible for the development and implementation of Discovery's Sales organization. Steve is a highly successful sales leader with more than 16 years of specialized biotechnology and pharmaceutical sales experience. Mr. Gavel's experience includes the creation and management of hospital based sales organizations (including sales force sizing and reorganizing) to support the launch of several leading products including Cytovene[®], Leukine[®], Novantrone[®] and Toradol IM[®]. Gavel also brings expertise in product promotion to further support product sales and formulary acceptance. Most recently, Mr. Gavel served as Director of Ortho McNeil's Strategic Business Group, a division of Johnson & Johnson. Prior to Ortho-McNeil, Mr. Gavel acted as Business Unit Director for Immunex. While at Immunex, Mr. Gavel held various sales leadership positions within the hospital-based oncology franchise. Mr. Gavel holds a bachelor of science degree in Business Administration and Finance from Millersville University.

Dr. Miller will be responsible for the development and implementation of Discovery's Marketing operations. Most recently, Dr. Miller served as Director of Global Biologics Strategic Marketing at Centocor, a Johnson & Johnson biotechnology company, where he was responsible for the

development and leadership of global business strategy for emerging products. Dr. Miller has held positions of increasing responsibilities at several leading pharmaceuticals including Pharmacia and Knoll Pharmaceutical. While at Pharmacia, Dr. Miller developed and implemented strategies to exploit new commercially viable opportunities for existing products. Dr. Miller holds a B.S. in Biology from Fairfield University, an MBA from Fairleigh Dickinson University and a Ph.D. in Cardio-respiratory Physiology from Temple University School of Medicine. While at Temple, his research focus was respiratory insufficiency and critical care intervention in neonates. Through this experience, Dr. Miller has developed an extensive network in the neonatal community which will be beneficial in his new role with Discovery.

About Discovery Laboratories

Discovery Laboratories, Inc. is a biopharmaceutical company developing its proprietary surfactant technology as Surfactant Replacement Therapies (SRT) for respiratory diseases. Surfactants are produced naturally in the lungs and are essential for breathing. Discovery's technology produces a precisely engineered surfactant that is designed to closely mimic the essential properties of natural human lung surfactant. Discovery believes that through its technology, pulmonary surfactants have the potential, for the first time, to be developed into a series of respiratory therapies for patients in the neonatal intensive care unit, critical care unit and other hospital settings, where there are few or no approved therapies available.

Discovery has filed a New Drug Application with the United States FDA and a Marketing Authorization Application with the European Medicines Evaluation Agency for clearance to market Surfaxin, the Company's lead product, for the prevention and treatment of RDS in premature infants. Discovery is also conducting various clinical programs to address ARDS in adults, BPD (a form of chronic lung disease in infants), Neonatal Respiratory Failures in premature infants, severe asthma in adults, and MAS in full-term infants.

More information about Discovery 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 business strategy, outlook, objectives, future milestones, plans, intentions, goals, future financial conditions, future collaboration agreements, the success of the Company's product development, 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 Private 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, the risk that the Company will not be able to raise additional capital or enter into additional collaboration agreements (including strategic alliances for our aerosol and Surfactant Replacement Therapies), risk that the Company will not be able to develop a successful sales and marketing organization in a timely manner, if at all, risk that the Company's internal sales and marketing organization will not succeed in developing market awareness of the Company's products, risk that the Company's internal sales and marketing organization will not be able to attract or maintain qualified personnel, risk of delay in the FDA's or other health regulatory authorities'

approval of any applications filed by the Company, risks that any such regulatory authority will not approve the marketing and sale of a drug product even after acceptance of an application filed by the Company for any such drug product, risks relating to the ability of the Company's third party contract manufacturers to provide the Company with adequate supplies of drug substance and drug products for completion of any of the Company's clinical studies, other risks relating to the lack of adequate supplies of drug substance and drug product for completion of any of the Company's clinical studies, and risks relating to the development of competing therapies and/or technologies by other companies. Companies in the pharmaceutical and biotechnology industries have suffered significant setbacks in advanced clinical trials, even after obtaining promising earlier trial results. Data obtained from tests are susceptible to varying interpretations, which may delay, limit or prevent regulatory approval. Those associated risks and others are further described in the Company's filings with the Securities and Exchange Commission including the most recent reports on Forms 10-K, 10-Q and 8-K, and any amendments thereto.

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