

## **Xenon Enters Cardiovascular Disease Collaboration with Merck & Co., Inc.**

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Vancouver, Canada (June 11, 2009) - Xenon Pharmaceuticals Inc. today announced a strategic alliance with Merck & Co., Inc., through an affiliate, to discover and develop novel small molecule candidates for the potential treatment of cardiovascular disease.

“We are very excited to be collaborating with Merck to define new therapeutics in the area of cardiovascular diseases,” said Simon Pimstone, President and CEO of Xenon. “With this deal, Xenon is continuing its strategy of risk mitigation by select partnering, while retaining ownership of other programs.”

In collaboration with Merck, Xenon will perform validation studies using its clinical genetics platform, as well as drug discovery and select preclinical development of small molecule compounds for those targets selected by a joint steering committee.

Under the terms of the agreement, Merck has the option to exclusively license targets and compounds from Xenon for development and commercialization. In return, Xenon receives research funding and is eligible for option exercise fees, research, development and regulatory milestone payments of up to US\$94.5 million for the first target and up to US\$89.5 million for each subsequent target. In addition, Merck will pay Xenon undisclosed royalties on sales of products resulting from the collaboration. Xenon retains the right to develop and commercialize certain compounds for which Merck does not exercise its option.

Michael Hayden, CSO of Xenon added: “We recognize that Merck is a leading pharmaceutical company with significant presence in and commitment to the cardiovascular space and they are an ideal strategic partner for Xenon. This new alliance, which represents our fifth partnership with a major pharmaceutical company, once again highlights Xenon’s R&D capabilities and validates our drug discovery platform.”

### **About Xenon**

Xenon is a privately owned, clinical genetics-based drug discovery and development company engaged in developing small molecule therapies based on the genetic causes of select metabolic, neurological and cardiovascular diseases. For more information, visit the Company’s website at [www.xenon-pharma.com](http://www.xenon-pharma.com).

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