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**INTERCEPT PHARMACEUTICALS CLOSES \$41 MILLION EQUITY FINANCING  
--Company Announces Lead Compound INT-747 Appears  
Well Tolerated in Phase 1 Study—**

**NEW YORK, NY, May 16, 2006** -- Intercept Pharmaceuticals, Inc., a clinical stage biopharmaceutical company focused on developing small molecule drugs for the treatment of chronic liver and metabolic diseases, today announced completion of a \$41 million equity financing. The financing was led by Milan-based Genextra S.p.A., with Balyasny Asset Management and JAFCO Life Science Investment also participating.

Intercept's lead compound INT-747 is a novel, orally available farnesoid X receptor (FXR) agonist that the company hopes will prove effective in reducing, and possibly even reversing, the liver damage caused by fibrosis and obstructed bile flow (cholestasis). This damage eventually may lead to cirrhosis and resulting liver failure in the millions of patients afflicted with chronic liver diseases such as hepatitis C viral infection, non-alcoholic steatohepatitis (NASH) related to obesity, and the autoimmune disease primary biliary cirrhosis (PBC).

Separately, Intercept also reported today that INT-747 appeared well tolerated in a Phase 1a single dose study in healthy volunteers. The company expects to begin Phase 1b repeat dose studies in June in order to establish INT-747's tolerability in healthy volunteers before proceeding with studies in PBC and other liver disease patients.

Paolo Fundarò, Chief Financial Officer of Genextra, and Dr. Kenneth D. Noonan, a Partner at L.E.K. Consulting LLP in London, have joined current Intercept directors Dr. Mark Pruzanski, the company's founder, President and CEO; Jim Mervis, co-founder of Cardiokine and Barrier Therapeutics; and Peter Kash, Chairman of Two River Group Holdings, on the company's Board of Directors.

"Our substantial investment in Intercept underscores our mission of supporting emerging biopharmaceutical companies developing innovative products for poorly treated indications," said Mr. Fundarò. "We are excited about the potential of the company's FXR compounds in liver fibrosis and other indications. Furthermore, we expect Intercept's Italian research capabilities to provide strong synergies with our other development programs in metabolic and degenerative diseases, which should help accelerate value creation throughout our portfolio."

"We believe that the high level of interest from investors is a testament to the clinical and commercial potential of our lead compound INT-747 and our pipeline," said Dr. Pruzanski. "Intercept has become a leading drug development company pursuing FXR, a recently discovered novel member of the family of nuclear hormone receptors that have been the target of numerous successful drugs. INT-747 is the first FXR agonist to reach the clinic and with our initial Phase 1 study completed, we look forward to moving ahead with our clinical trials while continuing to advance our drug discovery efforts focused on FXR and other related priority targets."

Riverbank Capital Securities, Inc. and Rodman & Renshaw, LLC acted as co-placement agents in the financing.

**About Intercept Pharmaceuticals**

New York City-based Intercept Pharmaceuticals, Inc. is a clinical stage biopharmaceutical company focused on developing small molecule drugs for the treatment of chronic liver and metabolic diseases. Since 2002, Intercept researchers have published extensively on the key role of the farnesoid X receptor (FXR) as a regulator of bile and cholesterol metabolism in the liver with preclinical data from numerous studies providing strong rationale for the advancement of FXR agonists as hepatoprotective therapeutics in chronic liver disease. The company intends to lead in the advancement of drug candidates acting on FXR and other bile acid receptors and is developing a pipeline of novel lead compounds for multiple indications.

**About Genextra**

Genextra is a Milan-based holding company with majority investments in early stage biotechnology and nanotechnology companies. The company focus is on treating diseases related to aging, oncology and metabolic disorders. Genextra's portfolio companies are advancing a number of preclinical stage lead compounds, including HDAC inhibitors and p66 modulators.

**About Balyasny Asset Management**

Balyasny Asset Management L.P. (BAM), with offices in New York City, Chicago, Connecticut and London, is an international multi-strategy asset management firm.

**About JAFCO Life Science Investment**

JAFCO Life Science Investment is the U.S. venture capital operation of JAFCO Co., Ltd., Japan's leading private equity firm whose principal activities are venture capital, buyout investment and management of related funds in Japan, the United States and Asia. Founded in 1973, JAFCO has managed over 60 investment funds globally.