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INTERCEPT PHARMACEUTICALS ANNOUNCES CLOSING OF NEW FINANCING ROUND

*--Company to Present at Rodman & Renshaw Global Healthcare Conference --
-- Leading Biomedical Researcher and Life Sciences Entrepreneur Dr. Yuichi Iwaki
Joining Intercept's Board of Directors--*

New York, NY and Paris, France – May 4, 2005 – Intercept Pharmaceuticals, Inc., an emerging specialty pharmaceutical company focused on developing novel small molecule drugs for the treatment of chronic liver and metabolic diseases, today announced that it has closed a financing led by Rodman & Renshaw. Intercept president and chief executive officer Mark Pruzanski M.D. will present at the Rodman & Renshaw Second Annual Global Healthcare Conference in Paris, France on May 5th. The company also announced that it has appointed Yuichi Iwaki M.D., Ph.D. to its Board of Directors.

The new financing -- \$1.25 million in convertible debt from individual and institutional life sciences investors, including Rodman & Renshaw -- brings the total raised by the company to \$4.1 million and will be used to advance Intercept's lead compound, INT-747, into clinical trials later this year. INT-747 is an oral drug being developed to treat chronic liver diseases by reducing damage caused by inflammation, fibrosis and obstructed bile flow (cholestasis), which lead to cirrhosis and liver failure in tens of millions of people worldwide.

"This financing comes at an opportune time for Intercept as we continue to advance INT-747 towards initiation of clinical trials later this year, while also making good progress building our pipeline with the identification of promising new compounds," said Dr. Pruzanski. "We are delighted at the caliber of investors who participated and are especially pleased that one of them, Dr. Yuichi Iwaki, has joined our Board. Dr. Iwaki brings us a great deal of expertise as a successful liver disease specialist and life sciences entrepreneur, and we look forward to his counsel as we advance the company to the next stage."

Intercept's lead compound, INT-747, is a potent, orally bioavailable farnesoid X receptor (FXR) agonist. Studies in animal models have demonstrated that INT-747 can stop development of, and even reverse, liver fibrosis. Liver fibrosis progressing to cirrhosis is a major cause of disability and death for patients with alcoholic liver disease, chronic viral infections such as hepatitis B and C, non-alcoholic steatohepatitis (NASH) and autoimmune diseases such as primary biliary cirrhosis (PBC). Current treatments for these conditions are of limited efficacy and many patients eventually suffer liver failure with few options except to hope to receive a liver transplant.

Intercept plans to advance INT-747 into human trials in the second half of 2005 for the treatment of PBC, a disease affecting an estimated 100,000 patients in the U.S. who suffer from chronic cholestasis and fibrosis, eventually developing cirrhosis. Prior work by Intercept and independent researchers demonstrated the key role of FXR as a regulator of bile flow and synthesis in the liver, providing a strong rationale for developing FXR agonists to treat cholestatic liver diseases such as PBC. The company intends to apply for orphan status for INT-747 for the treatment of PBC and believes that the existence of clinically validated serum markers of cholestasis in this disease will facilitate its clinical development path.

New director Yuichi Iwaki M.D., Ph.D. has distinguished careers in both medical research and business. He holds three professorships at the University of Southern California School of Medicine in Urology, Surgery and Pathology and is director of its Transplantation Immunology and Immunogenetic Laboratory. Dr. Iwaki is the author of 200 publications and more than 40 books. He has been advising pharmaceutical companies and venture capital funds for over 20 years and is chairman of MediciNova, a publicly traded U.S.-Japanese specialty pharmaceutical firm, as well as a board member of Avigen and other biotechnology companies.

“Intercept has a very promising novel approach to treating chronic liver conditions that are almost impossible to address effectively with current therapies,” said Dr. Iwaki. “I welcome the opportunity to assist as Intercept progresses its lead compound through human trials and develops other interesting nuclear hormone receptor agents in its pipeline.”

Dr. Pruzanski will provide a brief corporate overview and discuss the company's recent progress at the Rodman & Renshaw Global Healthcare Conference in Paris, France on Thursday, May 5, 2005, at 9:45am.

About Intercept Pharmaceuticals

New York City-based Intercept Pharmaceuticals, Inc. is an emerging specialty pharmaceutical company focused on developing small molecule drugs for the treatment of chronic liver and metabolic diseases. The company is currently advancing its lead drug candidate, INT-747 (6ECDCA), for the treatment of a group of life threatening fibrotic and cholestatic liver diseases for which there are virtually no effective marketed drugs. The company intends to lead in the advancement of drug candidates acting on the farnesoid X receptor (FXR) in multiple indications through clinical proof-of-concept. As a ligand-regulated nuclear hormone receptor, FXR is a member of a target class that has consistently yielded successful marketed pharmaceuticals in a variety of indications.