

AlphaRx Regains Rights to Indaflex™

Hong Kong, June 29, 2010 (MARKETWIRE) -- AlphaRx, Inc. (OTCBB: ALRX) today announced that it has entered into an agreement with Cypress Bioscience (Nasdaq: CYPB), under which AlphaRx is regaining all rights to Indaflex™ from Cypress Bioscience, which AlphaRx had previously licensed to Proprius Pharmaceuticals, which was subsequently acquired by Cypress Bioscience.

“With our Cypress colleagues, we have successfully advanced Indaflex™ to this late-stage of development,” said Michael Lee, Chief Executive Officer of AlphaRx Inc. “Together we successfully completed an "End of Phase 2" meeting with the Food and Drug Administration and we are confident that this late stage candidate targeting a large patient population represents a compelling opportunity for an underserved market.”

AlphaRx and Cypress have completed certain Phase 3 preparatory activities such as stability testing and packaging design. AlphaRx will evaluate new partnering opportunities for Indaflex™ as soon as the development program is transferred from Cypress to AlphaRx.

About Indaflex™

Indaflex™ is a topical NSAID (Non-Steroidal Anti-Inflammatory Drug) formulation in clinical development for the reduction of signs and symptoms associated with Osteoarthritis of the knee. Arthritis is the most common chronic disease in North America and afflicts an estimated 10% of the world's population. The active ingredient in Indaflex™, indomethacin, has a long-standing and proven clinical treatment record. Delivered through the skin using a proprietary nanoemulsion technology developed by AlphaRx, the companies believe Indaflex™ will have an attractive efficacy, safety and tolerability profile in comparison to oral treatments and other topical preparations.

About AlphaRx Inc.

AlphaRx is a specialty pharmaceutical company dedicated to developing proven therapies by reformulating FDA approved and marketed drugs which through the application of its proprietary site-specific nano drug delivery technology, offers improved medical benefits and a potential for significant commercial product development. The Company's product candidates address various pharmaceutical markets, including inflammation, stroke and pneumonia.

For more information, please contact:

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