Investor Fact Sheet

Corporate Information

as of December 1, 2008

Year founded:	1994
Year public:	1997
NASDAQ:	HEPH
Shares outstanding:	29 million
Share price:	$.86
52 week price range:	$.28 to $2.39
Institutional ownership:	15%
Insider ownership:	9%
Cash (as of 9/30/08):	$29.1 million
Number of employees:	58

Investment Highlights

- World leader in development of new class of small-molecule compounds based on endogenous adrenal steroid hormones central to human health
- Promising pipeline of drug development candidates supported by strong preclinical data for broad spectrum of mainstream market indications
  - Metabolic disorders
  - Autoimmune disorders
  - Inflammatory conditions
  - Oncology
- Significant opportunity to leverage proprietary *Hormonal Signaling Technology Platform* to create economic value for shareholders by translating adrenal steroid hormone molecules into pharmaceuticals with novel mechanisms of action and attractive safety profiles
- Potential to develop these compounds through internal development and/or corporate collaborations in several pharmaceutical development programs with multiple disease indications

Research Coverage

Rodman & Renshaw — Vernon T. Bernardino

Hollis-Eden Pharmaceuticals is followed by the analysts listed above. Please note that any opinions, estimates or forecasts regarding Hollis-Eden Pharmaceuticals' performance made by these analysts are theirs alone and do not represent opinions, forecasts or predictions of Hollis-Eden Pharmaceuticals or its management. Hollis-Eden Pharmaceuticals does not by its reference above or distribution imply its endorsement of or concurrence with such information, conclusions or recommendations.

Company Overview

Hollis-Eden Pharmaceuticals, Inc. is the world leader in the development of a proprietary class of adrenal steroid hormones as novel pharmaceuticals for human health. Through its Hormonal Signaling Technology Platform, Hollis-Eden is developing a new series of small molecule compounds that are metabolites or synthetic analogs of endogenous hormones derived by the adrenal glands from the body's most abundant circulating adrenal steroid – dehydroepiandrosterone (DHEA). These steroid hormones, designed to restore the biological activity of cellular signaling pathways disrupted by disease and aging, have been demonstrated in humans to possess several properties with potential therapeutic benefit – they regulate innate and adaptive immunity, reduce nonproductive inflammation and stimulate cell proliferation. The Company's clinical drug development candidates include TRIOLEX™ (HE3286), in clinical trials for type 2 diabetes, ulcerative colitis and rheumatoid arthritis, and APOPTONE™ (HE3235), in a clinical trial for the treatment of late-stage prostate cancer. In addition to these clinical development candidates, Hollis-Eden has an active research program that is generating additional new clinical leads that are being further evaluated in preclinical models of a number of different diseases.

Hormonal Signaling Technology Platform

Steroid hormones produced by the adrenal glands act as chemical messengers in the body to maintain homeostasis. In nature, these hormonal signaling processes play a critical role in key biological functions, including regulation of immunity, inflammation and metabolism. Levels of adrenal steroid hormones may fluctuate or decline as a result of disease, stress, trauma and the aging process itself, known as adrenopause. These various changes disrupt normal signaling pathways that maintain homeostasis, leading to dysregulation of biological systems that are associated with metabolic disease, autoimmune disorders, cancer, bone loss, and other diseases related to the onset of aging. Through the development of a new series of small-molecule compounds that are metabolites or synthetic analogs of newly discovered endogenous adrenal hormones, Hollis-Eden's therapeutic approach is to restore healthy body functions by providing the chemical messengers or signals that enable the intercellular communications necessary for homeostasis and a return to health.

DRUG DEVELOPMENT CANDIDATES

TRIOLEX (HE3286)

Hollis-Eden initiated a Phase II clinical trial with TRIOLEX in type 2 diabetes patients during the third quarter of 2008. The double-blind placebo controlled 12-week dosing trial is enrolling up to 90 patients with a hemoglobin A1c (HbA1c) level in excess of 7.5 percent who are on a stable dose of metformin only, the current first-line therapy for type 2 diabetes. Primary endpoints for the trial are safety and a reduction in HbA1c.

With TRIOLEX, Hollis-Eden is taking an anti-inflammatory approach to improving insulin sensitivity in patients with type 2 diabetes. This approach is supported by data the Company released at scientific conferences this year from its ongoing Phase I/II clinical trial with TRIOLEX in obese insulin resistant subjects. The data demonstrate that TRIOLEX is safe and well tolerated to date, and that it improved insulin sensitivity and lowered fasting blood glucose, insulin and triglyceride levels in obese insulin resistant subjects treated orally with the compound for only 28 days when compared to placebo-treated subjects. These effects were accompanied by decreases in circulating and cellular inflammatory mediators, including MCP-1 and IL-6, as well as a reduction in serum levels of C-reactive protein, a key inflammatory marker for cardiovascular disease. Leading academic researchers have linked chronic obesity induced inflammation with type 2 diabetes, and the role of inflammation in promoting insulin resistance in type 2 diabetes is well described in the scientific literature.

In its autoimmunity program, Hollis-Eden is currently enrolling patients in a Phase I/II clinical trial with TRIOLEX in ulcerative colitis (UC). This Phase I/II oral dose ranging study is evaluating the safety, tolerance, pharmacokinetics and activity of TRIOLEX when administered orally for 28 days in patients with active, mild-to-moderate UC. Hollis-Eden also has initiated a Phase I/II clinical trial with TRIOLEX for the treatment of rheumatoid arthritis (RA). The 28-day oral dose ranging study is assessing safety and pharmacokinetics in stable RA patients on methotrexate only.

APOPTONE (HE3235)

Hollis-Eden commenced in the third quarter of 2008 a Phase I/II clinical trial with its oral drug candidate APOPTONE in late-stage prostate cancer patients who have failed hormone therapy and at least one round of chemotherapy treatment. The Phase I/II open-label dose ranging study is evaluating the safety, tolerance, pharmacokinetics and potential activity of APOPTONE when administered twice daily in late-stage prostate cancer patients. Based on safety findings after the initial 28-day cycle, patients will be eligible for additional cycles of treatment. Potential activity of the compound will be measured by effect on well-established markers of progression free survival, as determined by standard PSA tests, CT, MRI, or bone scan, and effect on circulating tumor cells (CTC).

MANAGEMENT TEAM

Richard B. Hollis
Founder, Chairman and
Chief Executive Officer
(Genentech, IMED, Warner Lambert, Baxter Healthcare)

Comment [HP1]:

Bob, it should read: hemoglobin A_{1c}

James M. Frincke, Ph.D.
Chief Operating Officer
(Hybritech, Lilly, Systemix, Novartis)

Robert L. Marsella
Senior Vice President
(St. Jude Medical, Genentech, IMED, US Surgical)

Christopher L. Reading, Ph.D.
Chief Scientific Officer
(M.D. Anderson Cancer Center, Systemix, Novartis)

Dwight R. Stickney, M.D.
Chief Medical Officer
(CDC, Burroughs-Wellcome, Hybritech)

Robert W. Weber
Interim Chief Financial Officer,
Chief Accounting Officer, and Vice
President – Operations
(Prometheus Products, Amercom, Instromedix)

For more information on Hollis-Eden visit www.holliseden.com, or contact Scott Rieger, Vice President, Corporate Communications, Hollis-Eden Pharmaceuticals, Inc., 4435 Eastgate Mall, Ste. 400, San Diego, CA
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Certain statements in this factsheet that are not historical facts constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended (the "Securities Act") and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Discussions containing such forward-looking statements may be included within this factsheet generally. In addition, when used in this factsheet, the words believes, intends, anticipates, expects and similar expressions are intended to identify forward-looking statements. These statements are subject to a number of risks and uncertainties, including, among others, the ability to successfully complete preclinical and clinical trials within specified timelines, if at all; the ability to obtain regulatory approval for TRIOLEX (HE3286), APOPTONE (HE3235) or any additional clinical candidates identified by the Company; the Company's future capital needs; the Company's ability to obtain additional funding; the ability of the Company to protect its intellectual property rights and to not infringe the intellectual property rights of others; the development of competitive products by other companies; and other risks detailed from time to time in the Company's filings with the Securities and Exchange Commission. Actual results could differ materially from those projected in the forward-looking statements. Except as required by law, the Company assumes no obligation to update these forward-looking statements in order to reflect events or circumstances that arise after the date of this factsheet.

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