NEWS RELEASE

Omeros Announces Positive Data from Phase 2 Clinical Trial Evaluating PPAR-gamma Agonist in Cocaine Abuse

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-- Decreases Craving and Protects Brain White Matter Integrity --

SEATTLE--(BUSINESS WIRE)--Oct. 19, 2016-- Omeros Corporation (NASDAQ: OMER) today announced positive results from a Phase 2 clinical trial evaluating the effects of a peroxisome proliferator-activated receptor (PPAR)-gamma agonist in patients with cocaine use disorder (CUD). The trial, designed and conducted by Joy M. Schmitz, Ph.D. and her colleagues at the Center for Neurobehavioral Research on Addiction, University of Texas Health Science Center – Houston, demonstrates that the PPAR-gamma agonist reduces craving and improves the integrity of brain white matter in patients with CUD. There currently are no approved medications to treat cocaine addiction. Omeros' issued and pending patents in its OMS405 program cover the use of any PPAR-gamma agonist, alone or in combination with other addiction therapies, to treat all forms of addiction, including cocaine, nicotine, opioids, alcohol and other substances of abuse as well as addictive or compulsive behaviors.

In this double-blind, placebo-controlled Phase 2 clinical trial, 30 treatment-seeking CUD patients were randomized to receive either a PPAR-gamma agonist (n=15) or placebo (n=15) daily for 12 weeks. Measures of impulsivity, decision-making and cocaine craving were recorded at multiple time points. A subgroup of 19 patients (10 placebo patients and 9 PPAR-gamma-treated patients) underwent brain scans using diffusion tensor imaging (DTI) to

measure white matter integrity before and after the course of treatment.

The data reveal a statistically significant time-dependent reduction in cocaine craving in PPAR-gamma-agonist-treated patients compared to placebo controls. Treated patients also showed improvement in white matter integrity in four target DTI regions of interest, specifically in the corpus callosum and in two associated thalamic tracts. During treatment, side effects reported were minimal and similar between the PPAR-gamma agonist and placebo groups. These clinical findings are consistent with results of earlier mechanistic and target-based preclinical studies showing that PPAR-gamma agonists protect against neuronal damage and block reinstatement of cocaine, heroin and alcohol seeking in animal models of drug abuse.

The trial was funded in part by grants from the National Institute of Drug Abuse. The results of the trial were recently presented at the 2016 College on Problems of Drug Dependence (CPDD) meeting held in Palm Springs, CA. A manuscript detailing the findings has been submitted for publication to a peer-reviewed journal.

“In drug abusers, cognitive decline associated with loss of neuronal function is a major negative prognostic factor,” stated Joy M. Schmitz, Ph.D., Louis A. Faillace Professor, Department of Psychiatry and Behavioral Sciences and Director of the Center for Neurobehavioral Research on Addiction at University of Texas Health Science Center – Houston. “To our knowledge, this is the first pharmacological agent that shows the combined potential of neuroprotection together with anti-craving and relapse-preventing abilities. Omeros’ OMS405 program represents an innovative approach to treating drug abuse, with the combination of effects offering a unique advantage over other strategies under investigation.”

“These clinical data are exciting and underscore the unique mechanism of action of PPAR-gamma agonists in the treatment of cocaine abuse and potentially other forms of addiction,” stated Gregory A. Demopulos M.D., chairman and chief executive officer of Omeros. “Currently there is no treatment for cocaine addiction. PPAR-gamma agonists such as OMS405 could well prove to be unique and effective therapeutics for the epidemic of cocaine abuse affecting over 15 million people worldwide. Together with OMS527, our PDE7 inhibitor program, Omeros is establishing a substantial position in the addiction space.”

About Omeros Corporation

Omeros is a biopharmaceutical company committed to discovering, developing and commercializing both small-molecule and protein therapeutics for large-market as well as orphan indications targeting inflammation, coagulopathies and disorders of the central nervous system. Part of its proprietary PharmacoSurgery® platform, the company’s first drug product, OMIDRIA® (phenylephrine and ketorolac injection) 1%/0.3%, was broadly launched in the U.S. in April 2015. OMIDRIA is the first and only FDA-approved drug (1) for use during cataract surgery or intraocular lens (IOL) replacement to maintain pupil size by preventing intraoperative miosis (pupil

constriction) and to reduce postoperative ocular pain and (2) that contains an NSAID for intraocular use. In the European Union, the European Commission has approved OMIDRIA for use in cataract surgery and lens replacement procedures to maintain mydriasis (pupil dilation), prevent miosis (pupil constriction), and to reduce postoperative eye pain. Omeros has clinical-stage development programs focused on: complement-related thrombotic microangiopathies; complement-mediated glomerulonephropathies; Huntington's disease and cognitive impairment; and addictive and compulsive disorders. In addition, Omeros has a proprietary G protein-coupled receptor (GPCR) platform, which is making available an unprecedented number of new GPCR drug targets and corresponding compounds to the pharmaceutical industry for drug development, and a platform used to generate antibodies.

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, which are subject to the "safe harbor" created by those sections for such statements. All statements other than statements of historical fact are forward-looking statements, which are often indicated by terms such as "anticipate," "believe," "could," "estimate," "expect," "goal," "intend," "look forward to," "may," "plan," "potential," "predict," "project," "should," "will," "would" and similar expressions and variations thereof. Forward-looking statements are based on management's beliefs and assumptions and on information available to management only as of the date of this press release. Omeros' actual results could differ materially from those anticipated in these forward-looking statements for many reasons, including, without limitation, risks associated with product commercialization, Omeros' unproven preclinical and clinical development activities, regulatory oversight, intellectual property claims, competitive developments, litigation, and the risks, uncertainties and other factors described under the heading "Risk Factors" in the company's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on August 9, 2016. Given these risks, uncertainties and other factors, you should not place undue reliance on these forward-looking statements, and the company assumes no obligation to update these forward-looking statements, even if new information becomes available in the future.

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