



NEWS RELEASE

Mast Therapeutics Provides Update On Strategic Direction

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SAN DIEGO, Nov. 21, 2016 /PRNewswire/ -- **Mast Therapeutics, Inc.** (NYSE MKT: MSTX), a clinical-stage biopharmaceutical company, today provided an update regarding its recently announced campaign to evaluate strategic opportunities.

- Preliminary Indications of Interest in Reverse Merger Transactions. The Company has received several written indications of interest from privately-held companies, including companies with synergistic clinical-stage drug candidates, and is actively evaluating these opportunities.
- Other Strategic Opportunities. Concurrently, the Company will continue to explore ways to strategically monetize its vepoloxamer assets, including through licensing transactions.
- Continued Clinical Development of AIR001. In parallel with exploring strategic opportunities, the Company will continue to support ongoing and planned investigator-sponsored clinical studies of its lead asset, AIR001, for the treatment of patients with heart failure with preserved ejection fraction (HFpEF).

"Our recently-announced strategic process has generated a number of opportunities that would be transformative for Mast," stated Brian M. Culley, Chief Executive Officer of Mast Therapeutics. "We are diligently and expeditiously reviewing these strategic alternatives, which we believe could maximize returns for our stockholders. We also remain excited about the potential for AIR001 in HFpEF and look forward to more data from investigator-sponsored studies in 2017," continued Mr. Culley.

About Mast Therapeutics

Mast Therapeutics, Inc. is a publicly traded biopharmaceutical company headquartered in San Diego, California. The Company has two clinical-stage investigational new drugs, AIR001 and vepoloxamer. AIR001, a sodium nitrite



solution for intermittent inhalation via nebulization, is in Phase 2 clinical development for the treatment of heart failure with preserved ejection fraction (HFpEF). More information can be found on the Company's web site at www.masttherapeutics.com. Mast Therapeutics™ and the corporate logo are trademarks of Mast Therapeutics, Inc.

Forward Looking Statements

Mast Therapeutics cautions you that statements in this press release that are not a description of historical fact are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements may be identified by the use of words referencing future events or circumstances such as "expect," "intend," "plan," "anticipate," "believe," and "will," among others. Examples of forward-looking statements in this press release include statements relating to potential strategic transactions for the Company and/or its assets and the value such transactions may provide the Company's stockholders. Forward-looking statements should not be read as guarantees of future performance or results because they involve the Company's beliefs and assumptions based on currently available information and are subject to significant known and unknown risks and uncertainties that may cause actual performance and results to differ materially from expectations indicated by the forward-looking statements. Some of the factors that could cause actual performance or results to differ include, without limitation: that Company's process for identifying and evaluating potential transactions is ongoing and may not result in consummation of a strategic transaction on a timely basis or at all; the potential for companies that have expressed interest in a strategic transaction with the Company to determine not to pursue a transaction or offer terms that the Company determines are acceptable; the risk that any strategic transaction that the Company may consummate may offer limited value for its product candidates and proprietary technology and may not enhance stockholder value or provide expected benefits; the Company's need for additional funding and risk that it may not be able to obtain sufficient funding as needed; risks associated with the Company's ability to manage operating expenses; uncertainty related to the Company's ability to continue as a going concern; risk of an event of default under the Company's debt facility that could result in the Company being required to repay its outstanding debt obligation and related fees on an accelerated basis and/or at a time that could be detrimental to the Company's financial condition, operations and/or business strategy; the impact of significant reductions in the Company's operations on its ability to develop its product candidates or maintain compliance with laws and regulations relating to public companies; the Company's ability to maintain compliance with NYSE MKT continued listing standards and policies and to maintain the listing and trading of its common stock on a national securities exchange; uncertainties inherent in the conduct of clinical studies and the risk that the Company's product candidates may not demonstrate adequate safety, efficacy or tolerability in one or more clinical studies for approval by regulatory authorities; the Company's lack of control over the investigator-sponsored clinical studies of AIR001, including whether the studies will commence or be completed on anticipated timelines, or at all; the potential for significant delays, reductions, or discontinuation of current and/or planned development activities if the Company

is unable to raise sufficient additional capital as needed; the Company's dependence on third parties to assist with important aspects of development of the Company's product candidates, including the conduct of its clinical studies, the manufacture and supply of clinical trial material, including drug delivery devices, and the conduct of regulatory activities, and the risk that such third parties may fail to perform as expected leading to delays in product candidate development and additional costs; the risk that the Company is not able to obtain or maintain effective patent coverage or other market exclusivity protections for its products, if approved, or that the use or manufacture of the Company's products may infringe the proprietary rights of others; and other risks and uncertainties more fully described in the Company's press releases and its reports filed with the Securities and Exchange Commission. The Company's public filings with the Securities and Exchange Commission are available at www.sec.gov.

You are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date when made. Mast Therapeutics does not intend to revise or update any forward-looking statement set forth in this press release to reflect events or circumstances arising after the date hereof, except as may be required by law.

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