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FOR IMMEDIATE RELEASE

**VITAL THERAPIES, INC. RECEIVES ORPHAN DRUG DESIGNATION FOR
KEY COMPONENT IN LIVER ASSIST PROGRAM**

San Diego, CA, August 2, 2004 – Vital Therapies, Inc. announced today that the U.S. Food and Drug Administration (FDA) has granted orphan drug designation for the use of immortalized human liver cells to treat fulminant hepatic failure (acute liver failure). The cells are the biologic component of Vital Therapies' ELAD[®] System (Extracorporeal Liver Assist Device), which is currently in clinical development.

The ELAD System is designed to provide liver function and support to patients with acute liver failure, thereby enabling the patient's liver to regenerate or function until a suitable donor liver becomes available for transplantation. A patient is treated by continuously passing his or her plasma through hollow fiber membrane cartridges mounted on a bedside system. The plasma circulates on one side of the membrane, coming in contact with the cultured liver cells that reside on the other side of the membrane. Beneficial cell products and waste products are exchanged through the membrane, providing temporary liver function and support.

Phase I and II trials have been completed on 42 patients with acute liver failure. The results have been submitted to the FDA and Vital Therapies is now in discussions with the agency in preparation for the next trial.

The Orphan Drug Act (ODA) was created by Congress and grants special status to a product/indication combination upon request of a sponsor, if the product/indication combination meets certain criteria. This designation can be granted for drugs or devices that might provide a significant benefit to patients with life-threatening diseases, which affect a patient population of less than 200,000 in the United States. In receiving the orphan designation, sponsors qualify the product for a tax credit, grants and seven-year marketing exclusivity incentives once the FDA approves the product.

About Vital Therapies, Inc.

Vital Therapies, Inc. (VTI) is a new company formed in 2003 to continue development of the ELAD[®] System (Extracorporeal Liver Assist Device), which augments the metabolic functions of a patient's liver, thereby enabling a bridge to transplant or liver recovery. VTI acquired the assets and business of VitaGen/Hepatix.

For more information, please visit: www.vitaltherapies.com