

April 6, 2010



Nile Therapeutics Announces Proposed Public Offering

SAN MATEO, Calif., April 6 /PRNewswire-FirstCall/ -- Nile Therapeutics, Inc. (Nasdaq: NLTX), a company focused on the development of novel therapeutics for heart failure patients, announced today that it intends to offer units consisting of shares of its common stock and warrants to purchase shares of its common stock in a public offering. Maxim Group LLC is acting as the sole book-running manager for this offering, with Ladenburg Thalmann & Co. Ltd. as co-manager.

The Company plans to use the net proceeds from this offering to fund the previously announced expansion of its ongoing Phase II clinical trial of CD-NP in acute heart failure patients, and for general corporate purposes and working capital. The offering is being made pursuant to an effective shelf registration statement previously filed with the Securities and Exchange Commission. A prospectus supplement relating to the offering will be filed with the Securities and Exchange Commission. When available, copies of the prospectus supplement relating to this offering may be obtained from Maxim Group LLC, 405 Lexington Avenue, New York, NY 10174, or by telephone at 212-895-3685.

This press release does not constitute an offer to sell, or the solicitation of an offer to buy, units, shares of common stock or warrants. Furthermore, Nile will not sell any of the units and has been advised by Maxim Group that the underwriters and their affiliates will not sell any of the units in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification of the securities under the securities laws of any such state or jurisdiction.

About Nile Therapeutics

Nile Therapeutics, Inc. is a clinical-stage biopharmaceutical company that develops innovative products for the treatment of cardiovascular disease and other areas of unmet medical needs. Nile is initially focusing its efforts on developing its lead compound, CD-NP, a novel rationally designed chimeric peptide in clinical studies for the treatment of heart failure, and CU-NP, a novel rationally designed natriuretic peptide. More information on Nile can be found at <http://www.nilethera.com>.

Safe Harbor Paragraph for Forward-Looking Statements This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that involve substantial risks and uncertainties. All statements, other than statements of historical facts, included in this press release regarding the proposed offering, the timing, progress and anticipated results of Nile's ongoing clinical trial, and the anticipated benefits of CD-NP, are forward-looking statements. Nile may not actually achieve these plans, intentions or expectations and Nile cautions investors not to place undue reliance on Nile's forward-looking statements. Actual results or events could differ materially from the

plans, intentions and expectations disclosed in the forward-looking statements Nile makes. Various important factors that could cause actual results or events to differ materially from the forward-looking statements that Nile makes include Nile's ability to complete the proposed offering, Nile's need to raise additional capital to fund its product development programs to completion, and its lack of experience in developing and commercializing pharmaceutical products. Additional risks are described in greater detail in the reports Nile files with Securities and Exchange Commission, including those described under the caption "Risk Factors" in Item 1A of its Annual Report on Form 10-K for the year ended December 31, 2009 filed with the Securities and Exchange Commission on March 3, 2010. Nile is providing this information as of the date of this press release and does not undertake any obligation to update any forward-looking statements as a result of new information, future events or otherwise.

SOURCE Nile Therapeutics, Inc.