

Corporate Overview

Corporate Information

NASDAQ: NLTX

Market Cap: \$12 million

Current Share Price: \$0.37*
(*as of July 26, 2010)

52 Week Range: \$0.29 – \$2.30

Common Shares Outstanding: 34.6M

Investment Highlights

- Lead program: CD-NP addressing ADHF. Current treatments have significant side effects resulting in a large unmet need.
- Phase 2 trial in ~75 ADHF patients Fully enrolled. Full results expected in late 2010.
- Prior clinical data demonstrated positive diuretic, cardiac and renal benefits, with minimal impact on blood pressure.
- Potential to address multiple indications including chronic heart failure, acute myocardial infarction and renal protection during CABG.
- Recently hired Richard Brewer as Executive Chairman – ex-CEO Scios (now JNJ), current Chairman of Dendreon (DNDN) and Arca Biopharm (ABIO)

2010 Milestones

- Complete data analysis of CD-NP Phase 2 trial in ADHF patients. Expected by Q4 2010.
- Meet with FDA to obtain end-point approval for Phase IIb.

Corporate Summary

Nile Therapeutics, Inc. is a clinical stage biopharmaceutical company developing innovative products for the treatment of cardiovascular disease, with an initial focus on heart failure. Nile's lead product, CD-NP, is in development for acute decompensated heart failure (ADHF), an acute exacerbation of heart failure. Over 1 million patients in the U.S. each year are hospitalized with ADHF, nearly double the rate recorded 15 years ago. Current therapies for ADHF have been associated with potentially life-threatening side-effects including decreased renal function and low blood pressure. Nile believes that CD-NP offers improved safety and efficacy as compared to existing therapies, which could result in improved patient well-being, significant expansion of the heart failure drug market, and an excellent commercial opportunity.

Drug Candidates

Nile is currently advancing two drug candidates for the potential treatment of cardiovascular and renal disease.

CD-NP

- The company's lead product candidate recently completed a dose-escalating, single-blind, placebo-controlled Phase 2 trial in 77 ADHF patients. Two doses appear to have an attractive safety and activity profile. LPLV expected by end of July, with full results expected by Q4 2010. Nile believes CD-NP may ultimately be useful in several cardiovascular and renal indications beyond ADHF.

CU-NP

- Pre-clinical program evaluating the potential for chronic dosing of CU-NP for the potential treatment of a number of cardiovascular and renal diseases.

CD-NP: A New Treatment Solution

Current therapies for ADHF have been associated with favorable pharmacologic effects, but have also been associated with certain potentially life-threatening side effects including:

- hypotension (low blood pressure), and
- decreased renal function

CD-NP is a novel, second generation chimeric natriuretic peptide that has been designed to relieve ADHF symptoms without excessive systemic blood pressure reduction, while enhancing or preserving renal function. Clinical results to-date have demonstrated that CD-NP may represent a superior treatment solution by offering the following therapeutic benefits:

- reduction in cardiac pressure;
- improved diuresis;
- preservation/enhancement of renal function; and
- managed blood pressure reduction.

Contacts:

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Chief Executive Officer

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Heart Failure Market

- Heart failure is the fastest-growing clinical cardiac disease in the U.S. according to the American Heart Association, affecting over 5 million Americans.
- Over 1 million patients in the U.S. each year are hospitalized with ADHF, an acute exacerbation of heart failure. This hospitalization rate is almost double the rate seen 15 years ago.
- Heart failure is the most frequent cause of hospital admission in the U.S. for patients older than 65 years, generating annual inpatient costs of more than \$33 billion.
- Only one new treatment for ADHF has been approved by the FDA in over 20 years: Natrecor®, or BNP. Initial sales achieved close to \$400 million per year until serious side effects impacted revenues which quickly dropped below \$100 million annually.
- In clinical trials, Nile's CD-NP has demonstrated diuretic, cardiac and renal benefits, with minimal side effects. We believe that CD-NP may offer improved safety and efficacy as compared to existing therapies, potentially resulting in a significant expansion of the heart failure drug market, and an excellent commercial opportunity.

For more information please visit our website

www.nilethera.com

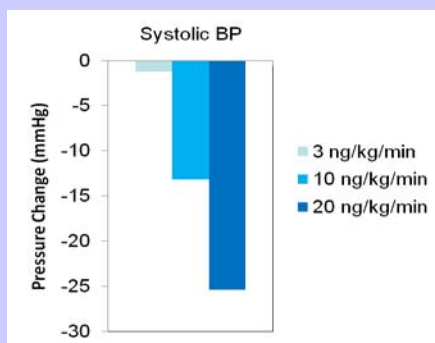
This document contains forward-looking statements about future products, future results and other events that have not yet occurred. Investors should be aware that actual results may differ materially from our expressed expectations because of risks and uncertainties in the future. Please refer to the company's filings with the SEC including its Form 10-K – Annual Report and Forms 10-Q - Quarterly Reports, which identify these and other risks and uncertainties that may cause actual results to differ materially from those presented here.

CD-NP: Clinical Results

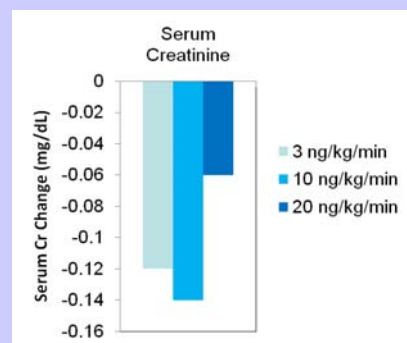
Current therapies for ADHF have been associated with certain life-threatening side effects including decreased renal function and low blood pressure. Clinical results to-date have demonstrated that CD-NP may offer the diuretic and cardiac benefits necessary to effectively treat ADHF while preserving renal function and beneficially managing blood pressure. Clinical results to-date have demonstrated the following:

Phase 1a – Highlighted Clinical Results

24 hour i.v. infusion of CD-NP in stable heart failure patients



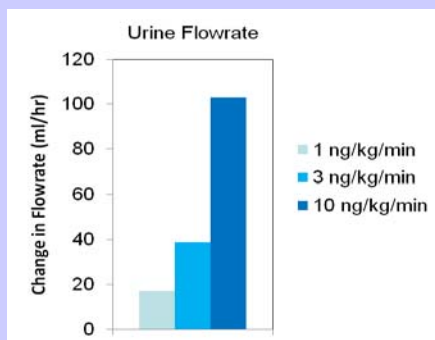
Dose dependent change in blood pressure
(end of infusion versus baseline)



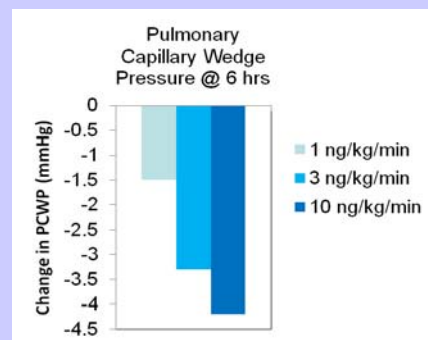
Improved creatinine vs. oral Lasix®
(end of infusion versus baseline)

Phase 2a – Highlighted Clinical Results

8 hour i.v. infusion of CD-NP in acute heart failure patients



Increased urine output on top of i.v. Lasix®
(8 hrs of CD-NP versus 4 hrs of baseline)



Decreased cardiac pressure
(PCWP @ 6 hr on CD-NP versus baseline)

Phase 2 - Clinical Trial – Enrollment Completed in July 2010

Up to 72 hour i.v. infusion of CD-NP in ADHF patients

- CD-NP is dosed on top of the standard of care within 24 hours of hospital admission for ADHF.
- 77 ADHF patients were enrolled at dose levels of 1.25, 2.5, 3.75 and 5 ng/kg/min and placebo.
- Preliminary data suggest that CD-NP is has an attractive clinical profile at dose levels of 1.25 and 2.5 ng/kg/min.
- Full results are expected in Q4 2010.