



Crossing the Rubicon



Clearing the path to better health.

ANNUAL REPORT 2008

Revolutionizing Treatment Options for Unmet Medical Needs

Forward-looking statements & cautionary factors that may affect future results.

Information which is included herein contains estimates and assumptions which management is required to make concerning future events, and may constitute forward-looking statements under applicable securities laws. Statements contained herein that are not based on historical fact, including without limitation statements containing the words "believes", "anticipates", "plans", "intends", "will", "should", "expects", "continue", "estimate", "forecasts" and other similar expressions, constitute forward-looking statements. Such forward-looking statements involve known and unknown risks and uncertainties that could cause actual results, events or developments to be materially different from those expressed or implied by such forward-looking statements. These risks include, but are not limited to those associated with the success of research and development programs, clinical trial programs, the regulatory approval process, competition, securing and maintaining corporate alliances, market acceptance of the Company's products, the availability of government and insurance reimbursements for the Company's products, the strength of intellectual property, financing capability, the potential dilutive effects of any financing, reliance on subcontractors and key personnel. Given these uncertainties and risk factors, readers are cautioned not to place undue reliance on such forward-looking statements. We disclaim any obligation to update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements contained in this annual report to reflect future results, events, or developments.

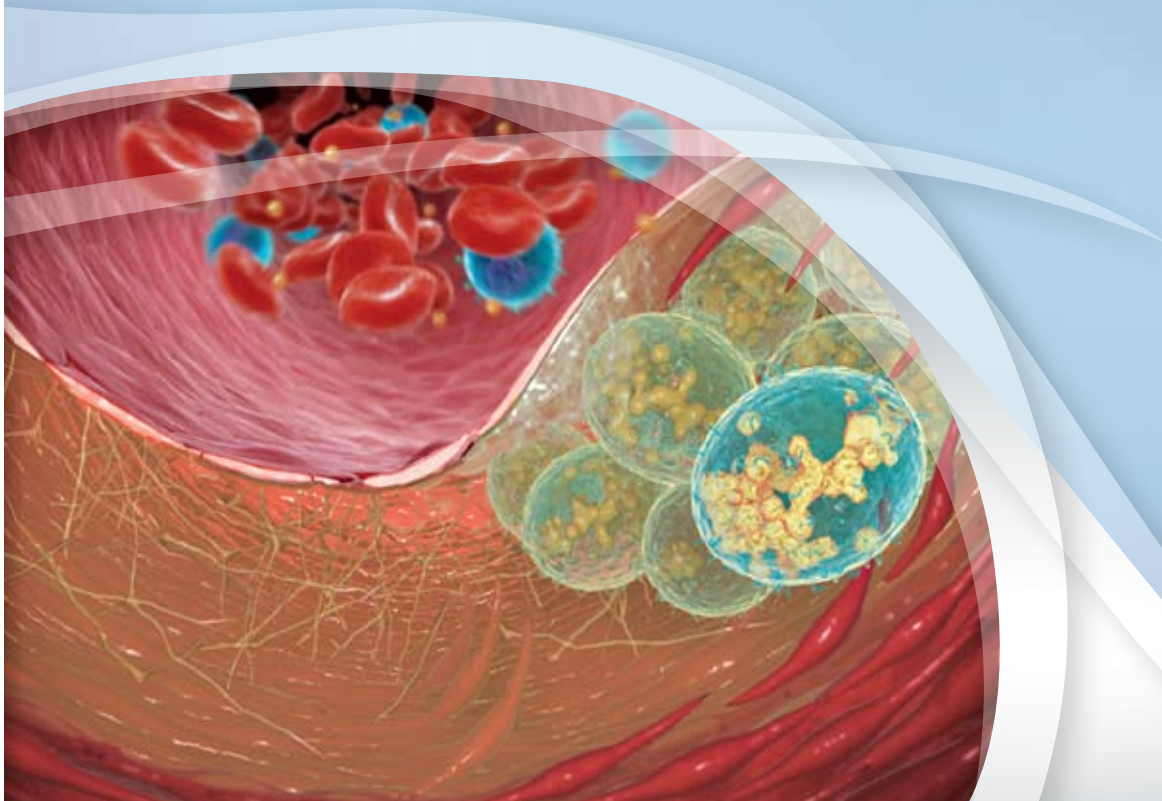


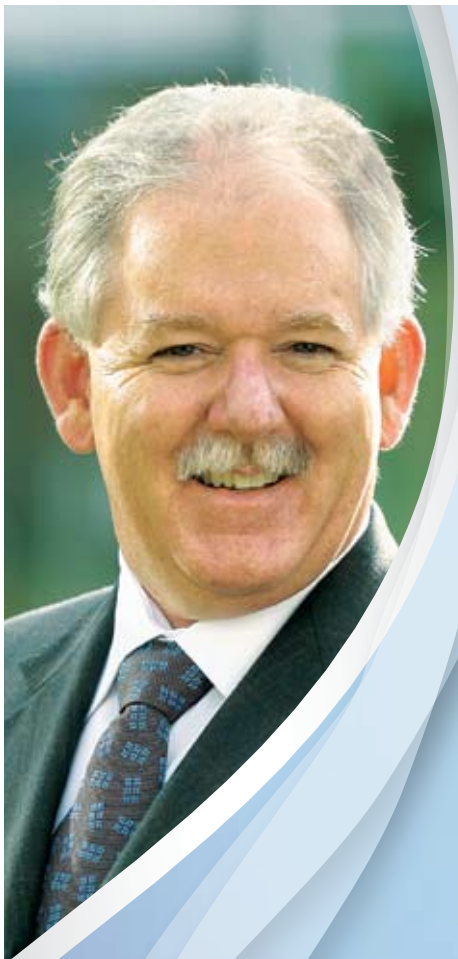
Our Mission

Our mission is to be first in class in the research, development and successful commercialization of revolutionary products. As a leader in our field, we will meet our primary objective which is to improve the quality and longevity of our patients' lives.

We are committed to:

Innovation
Integrity
Collaboration
Leadership
Quality





Letter to Shareholders

Several hundred years ago Julius Caesar crossed the Rubicon River in Italy marking a revolutionary point in his career as a strategist. This great moment in history has been adeptly captured with the phrase – Crossing the Rubicon. For Resverlogix and its many stakeholders, this past year has been one where important developments were rapidly progressed, strategic decisions were advanced and success was achieved by crossing the product development chasm. Moving from a preclinical to a clinical company was a momentous step and proud moment for the Company.

This past year we made great strides in many directions and most prominent in our NexVas™ PR program. Early in the year we saw promising results from our pivotal proof-of-concept study in African Green monkeys - a widely accepted model for human atherosclerosis. The data demonstrated that ApoA-I levels were increased up to 52% and HDL (high density lipoprotein) cholesterol levels increased up to 95% after receiving our lead drug RVX-208 as early as 28 days. By using a range of doses, RVX-208 demonstrated a clear dose response relationship for effects on both ApoA-I and HDL. This data was vital for optimizing our dosing schedules for future clinical trials.

Throughout fall of 2007, we successfully completed a highly extensive Investigational New Drug (IND) application for the US Food and Drug Administration. By late 2007, we began our 'first in man' Phase Ia clinical trial which concluded in early 2008 with positive results.

The dearth of existing clinical validation for ApoA-I, combined with the exciting and promising results of RVX-208, captured the attention of two groups who felt that the merit of our science deserved an award. In December 2007 we accepted the 2007 North American Excellence in Technology of the Year Award by Frost & Sullivan. This award was bestowed upon the Company because it has pioneered the development and introduction of an innovative technology into the market. This award recognizes Resverlogix's successful technology development to date which is expected to bring significant contributions to the industry in terms of adoption, change, and competitive posture. This award also recognizes the overall technical excellence of Resverlogix and its commitment towards technology innovation.

In January 2008 Resverlogix was distinguished by the World Economic Forum (WEF) as a 2008 Technology Pioneer Award winner. The WEF is an independent, international organization that strives towards a world-class corporate governance system to be adopted by companies and governments around the world. Our NexVas™ PR program won this award because it was recognized by international judges that we are developing life-changing technologies that have the potential for long-term positive impact on business and society.

Busy behind the scenes other teams of Resverlogix scientists continued to make headway in our other programs. These activities include discovering more compounds, developing our inflammation program and patenting their many findings.

This past year we have discerned a shift in the scientific community; this movement has pushed to the forefront the importance of functional HDL, which is the type of HDL which impacts reverse cholesterol transport. Moreover, the scientific community recognizes that there is an increasing need for a therapeutic to facilitate a significant increase in ApoA-I production. Similar to our advancements in our scientific and business activities it is important to call attention to our considerable progress we have made presenting scientific data on a world stage. These conference presentations are highlighted in the key achievements section of this report.

I would like to thank all of Resverlogix's employees for their steadfastness to clearing a path to better health. Additionally I would like to thank Resverlogix's Board of Directors for their ongoing active engagement.

We understand the enormous commitment that we have undertaken as we seek to successfully discover, develop and commercialize revolutionary products. We would like to thank our many shareholders for their ongoing support and loyalty. It is to this end that we anticipate another remarkable year.

Sincerely yours,



Donald J. McCaffrey
President and CEO

We conduct pioneering research that translates into innovative therapies

What we do

We are a leading clinical biotechnology company engaged in the development of revolutionary therapies for important global medical markets with significant unmet needs.

Our focus is to improve longevity and quality of human life by creating novel therapeutics. We have a world lead in Apolipoprotein A-I (ApoA-I) enhancing technology. Landmark epidemiology trials involving hundreds of thousands of subjects have demonstrated that ApoA-I is a clinically validated target.

Our foremost research and development programs target vascular disease and include the following:

NexVas™ Plaque Regression (NexVas PR), our primary clinical program is developing novel small molecules that increase the production of ApoA-I for the removal of atherosclerotic plaque.

NexVas™ Vascular Inflammation (NexVas VI), our preclinical program is developing novel small molecules that inhibit markers for vascular inflammation for plaque stabilization.

NexVas™ Alzheimer's Disease (NexVas AD), our clinical program focuses on the development of novel small molecules that enhance ApoA-I for the transport and removal of Beta Amyloid plaque from the brain.

ReVas™, our discovery technology partnered with Medtronic Inc. is developing therapeutics to be used with medical devices for the treatment of cardiovascular diseases.

TGF-Beta Shield™, is our preclinical technology for the treatment of grievous proliferative diseases, such as cancer and fibrotic conditions.



Tremendous Prospects

To understand the remarkable opportunity that exists one must look at the most salient point - atherosclerosis is a body-wide disease. Similar events that occur in the heart also take place in the arteries, brain, intestines, kidneys and legs. While Resverlogix is initially focused on cardiovascular disease, our discovery programs are looking at many other disease areas in the body which may benefit from the regression of atherosclerosis.

Key to this opportunity is Resverlogix's discovery of a unique small molecule that is designed to increase ApoA-I production thereby raising HDL (good cholesterol) levels. This improves HDL performance, known as functionality, by augmenting the reverse cholesterol transport process.

To the Company's knowledge there is no other biotech or pharmaceutical firm with this ground-breaking technology.

The international life science community predicts that a small molecular drug able to reduce the risk of cardiovascular in addition to other vascular events would be beneficial to millions of people. The global market for dyslipidemia and its underlying cause atherosclerosis currently represents US \$30 billion in sales for brand name therapeutics. The leading drugs in this market manage only atherosclerosis burden but not atherosclerosis removal. Our leading drug RVX-208 is positioned to potentially remove atherosclerosis by ApoA-I production, which could represent an even larger potential impact than current leading therapeutics.

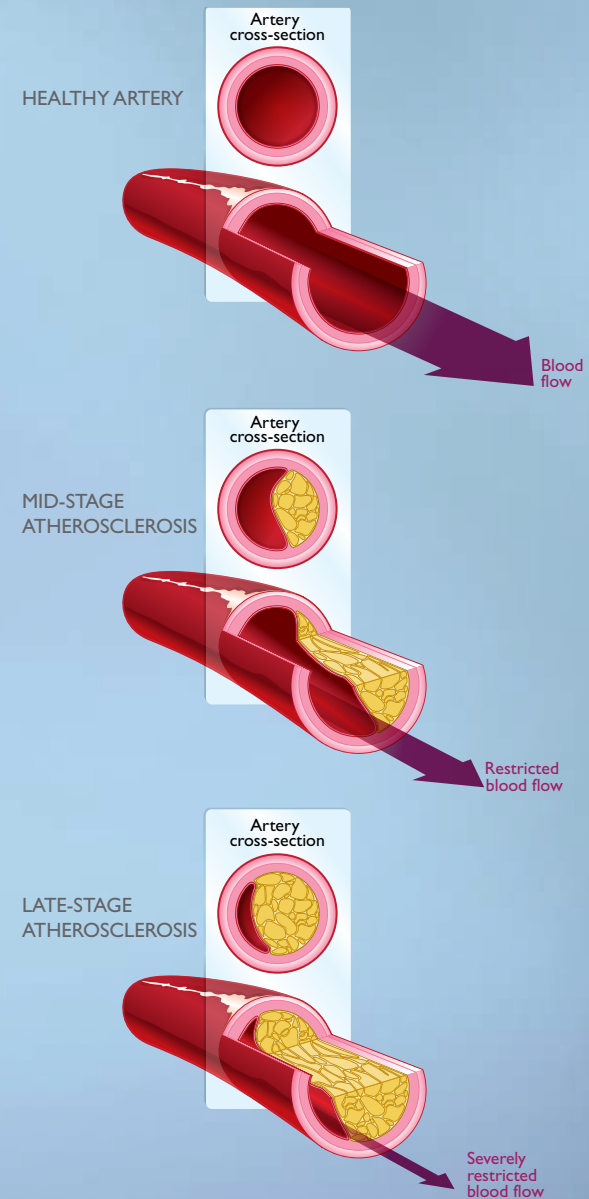
Atherosclerosis is a body-wide disease

Atherosclerosis can be reversed

Globally more than 80 million people have cardiovascular disease (CVD). This insidious disease remains the leading cause of death. Unfortunately CVD will claim more than 17 million lives this year alone. Atherosclerosis is a key underlying cause of CVD.

Atherosclerosis is caused primarily by fat and cholesterol which accumulate in the wall of an artery forming what is known as an atheroma or plaque build-up.

A 2003 landmark clinical trial (Nissen et al., JAMA November 2003) proved that atherosclerosis could be reversed by increasing ApoA-I, a key cardioprotective protein. Our lead technology, NexVas™ PR, has pioneered a new class of drugs that raises the body's own ApoA-I.



Our approach tips the natural balance in favor of cholesterol elimination.

ApoA-I is the primary protein component of HDL cholesterol. As a major component of the HDL complex, ApoA-I helps to clear cholesterol from arteries by promoting cholesterol efflux from tissues to the liver for excretion.



Functional HDL particles generated by RVX-208 have the capacity to remove atherosclerosis plaque.

ApoA-I production has the potential to become a breakthrough therapy

The NexVas™ program is built upon Resverlogix's discovery of small molecules that can increase the production of ApoA-I. This physiological approach targets the patient's own liver and small intestine to increase the transcription, synthesis, and secretion of ApoA-I. Key to this process is pre-beta HDL particles are supplied into the reverse cholesterol transport pathway. It is these particular HDL particles that appear to be the most effective in the removal of atherosclerosis thus making these HDL cholesterol molecules much more functional than other types of HDL; hence where one of the great opportunities lies for Resverlogix and its stakeholders.

Enhancing endogenous ApoA-I production has the potential to become a breakthrough therapy for the treatment of cardiovascular disease, either as a stand alone treatment or in combination with the standard of care treatment.

Key Achievements During Year Ended April 2008

It is the sum of our milestones that allowed us to move closer to achieving our mission. In 2007 we took important steps toward realizing our goal of creating innovative small molecular drugs which will address a large unmet medical need that current drugs on the market are not meeting.

We became a clinical company when we initiated our first human clinical trial for RVX-208 our lead drug candidate for atherosclerosis removal and regression.

2007

FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER
			<p>Presentation at the 2007 Annual Meeting for the Association for Research in Vision and Ophthalmology</p>	<p>Signed research collaboration with Sun Health Research Institute (SHRI) for Alzheimer's Disease</p>	<p>Successful 2nd proof-of concept study of RVX-208 in adult African Green monkeys</p>	<p>Proof-of-concept data released demonstrates TGF-Beta Shield™ technology targets back of eye for glaucoma treatment</p> <p>Accepted invitation to present at the International Atherosclerosis Society (IAS) Workshop on HDL</p>	<p>Current Opinion on Investigative Drugs article includes RVX data</p> <p>AGM held</p> <p>Presented at UBS Global Life Sciences conference</p>

2008

OCTOBER

Presented at XVI International Symposium on Drugs Affecting Lipid Metabolism (DALM)

Presented at International Atherosclerosis Society meeting

Participated Canadian Lipoprotein conference

NOVEMBER

Presented at American Heart Association Scientific Sessions meeting

Hosted Clinical Advisory Board meeting

DECEMBER

Started Phase Ia clinical trial

Received Frost & Sullivan award

JANUARY

Positive Phase Ia interim clinical trial data

Received Technology Pioneer award from WEF

FEBRUARY

Presented at BIO CEO conference

MARCH

Presented at Rodman & Renshaw conference

Participated in American College of Cardiology meeting

Hosted Clinical Advisory Board meeting

APRIL

Presented at Atherosclerosis, Thrombosis and Vascular Disease conference

Presented at European Atherosclerosis Society meeting





RVX-208

To our future patients

RVX-208 is a promising novel drug, which may lead to an innovative way to treat atherosclerosis.

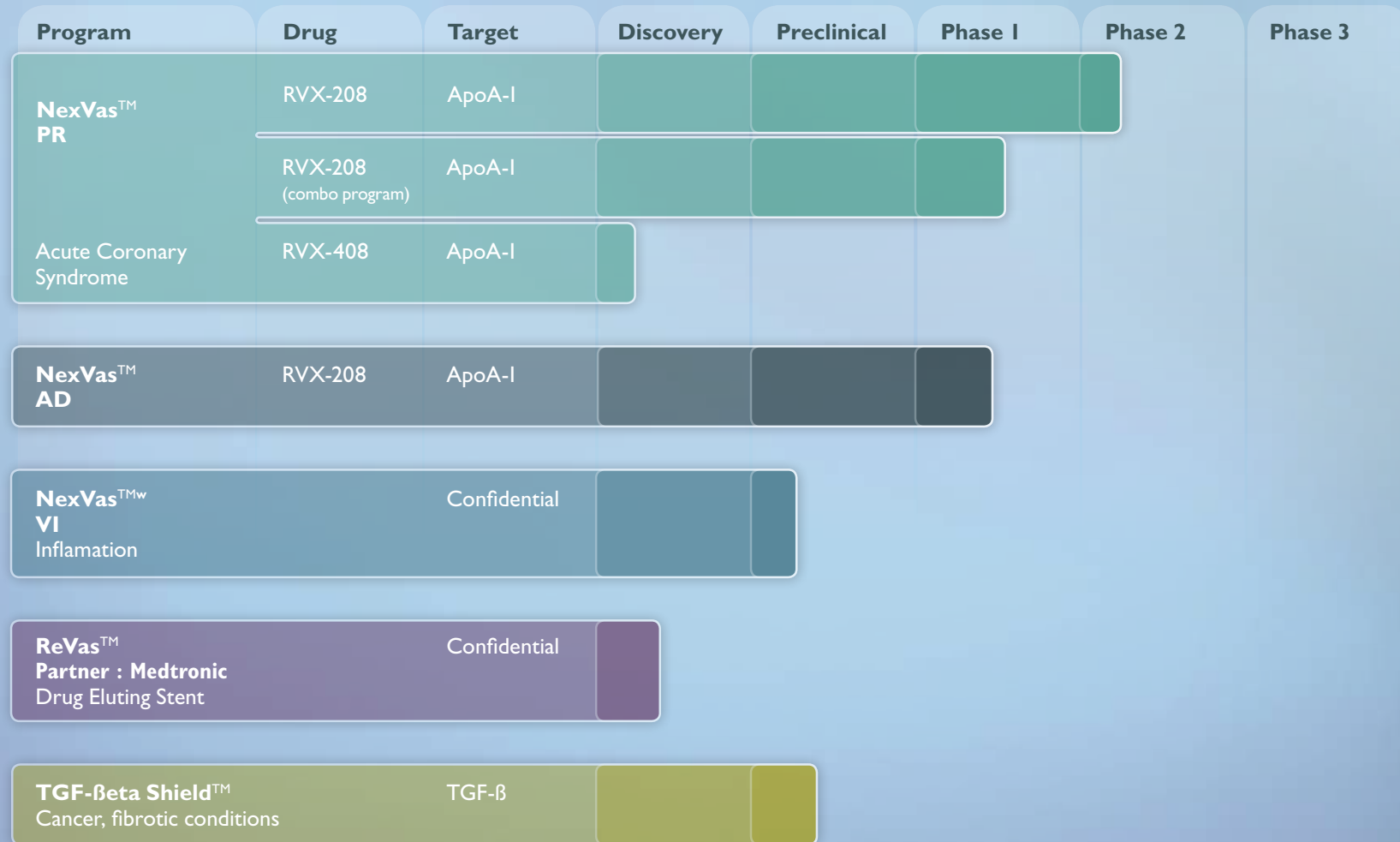
Only a small fraction of people who have cardiovascular disease are taking proper medications to address their illness. It is our belief that ApoA-I small molecules are the next class of drugs which could revolutionize the way that cardiovascular and vascular diseases are treated in the future.

To date RVX-208 is showing strong promise in its clinical development. We are devoted to safely advancing our therapeutics towards the end goal of successful commercialization into the marketplace.

ApoA-I
technologies
are the next
class of drugs

Product Pipeline

Resverlogix has discovered a number of proprietary molecules with many applications. The discovery program is moving along on multiple therapeutic fronts looking at important diseases. Our scientific team is at the cutting edge of discovery and poised to move quickly from in vitro and in vivo studies into preclinical work.



Notes

Corporate Information

Directors

Dr. William A. Cochrane, O.C., M.D., F.R.C.P., F.A.C.P., Chairman
Wayne Chiu
Jan Gray, C.A.
Donald J. McCaffrey
Dr. Roger S. Newton, Ph.D.
Stella M. Thompson
Dr. Donald Rix, M.D., F.R.C.P.
Whitney O. Ward

Clinical Advisory Board

Dr. Jan O. Johansson, M.D., Ph.D., Chairman
Dr. Bo Angelin, M.D., Ph.D.
Dr. Philip Barter, M.B.B.S., Ph.D., M.R.A.C.P., F.R.A.C.P.
Dr. Jacques Genest, M.D., F.R.C.P.(C).
Dr. Daniel J. Rader, M.D.
Dr. Prediman K. (P.K.) Shah, M.D.

Scientific Advisory Board

Dr. Norman C.W. Wong, M.D., F.R.C.P.(C), Chairman
Dr. Lawrence Chan, M.D., D.Sc.
Dr. Jacques Genest Jr., M.D., F.R.C.P.(C)
Dr. Patrick Lee, Ph.D.
Dr. Victor Ling, Ph.D.
Dr. J. Hans van de Sande, Ph. D.
Dr. James K. Liao, M.D.
Dr. George Adams, Ph.D.

Shareholder Information

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Calgary, Alberta

Registrar and Transfer Agent

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