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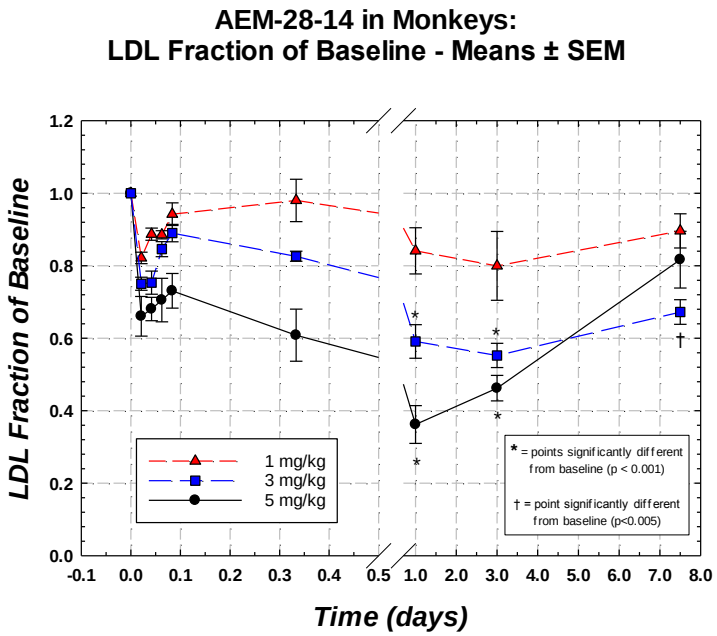
CAPSTONE THERAPEUTICS ANNOUNCES PROFOUND, RAPID LDL CHOLESTEROL REDUCTION IN AEM-28-14 PRIMATE STUDY

Tempe, AZ – December 19, 2016 – Capstone Therapeutics Corp. (OTCQB: CAPS) ("the Company") and LipimetiX Development, Inc., the Company's drug development joint venture ("**JV**") announced today that the JV's lead commercial drug candidate, AEM-28-14, showed substantial and statistically-significant LDL cholesterol (LDLc) reductions in a hypercholesterolemic primate study at Wake Forest University. Following a single IV administration of escalating doses up to 5mg/kg, LDLc exhibited a mean reduction of 64% from baseline at 24 hours, 46% from baseline at 3 days and 16% from baseline at 7 days, despite the study animals remaining on a high fat/cholesterol diet through the full study.

Dennis I. Goldberg, PhD, President and CEO of LipimetiX Development, Inc. stated "AEM-28-14 has shown clinically-relevant levels of cholesterol reduction in multiple validated preclinical models and may be the most powerful lipid reduction agent yet discovered. Primate models are often predictive of a molecule's therapeutic performance in humans. Accordingly, we see the LDLc reduction in this primate model as consistent with the benefits that we hope to deliver to Homozygous Familial Hypercholesterolemia (HoFH) patients…powerful cholesterol lowering combined with duration of effect."



The JV's development goals are to conduct Phase 1a, 1b, and 2a human clinical trials with AEM-28-14 to show an acceptable safety profile and cholesterol reduction efficacy in HoFH, an orphan genetic disease characterized by extremely high LDLc due to inherited defects in the LDL receptor pathway from both parents. The hypercholesterolemia associated with HoFH is difficult to treat since it is refractory to drugs and biologics, such as statins and PCSK9 inhibitors, that increase the expression and functionality of the LDL receptor in normal patients.

Chimeric Apolipoprotein E Mimetic Peptides

Apolipoprotein E (Apo E) is in a class of protein that occurs throughout the body. Apo E is essential for the normal metabolism of cholesterol and triglycerides. After a meal, the postprandial (or post-meal) lipid load is packaged in lipoproteins and secreted into the blood stream. Apo E targets cholesterol and triglyceride-rich lipoproteins to specific receptors in the liver, decreasing these levels in the blood. Defective metabolism of cholesterol and triglyceride-rich lipoprotein remnants plays an important role in the development of diseases of the coronary, cerebral and peripheral arteries often leading to heart attack and stroke.

The University of Alabama at Birmingham ("UAB") scientists patented the first chimeric Apo E mimetic peptide in 1999, reducing the 299 amino acid native Apo E into a 28 amino acid, dual domain peptide that can be delivered therapeutically. One domain inserts into a lipoprotein surface and the second domain binds to the Apo E receptors in the liver. In 2010, our JV's founding scientist, Dr. Dennis Goldberg, obtained worldwide right to patents for Apo E mimetic peptides from the UAB Research Foundation ("UABRF"). The JV has an Exclusive License Agreement with the University of Alabama at Birmingham Research Foundation for AEM-28 and its analogs.

The JV has continued research in to a new generation of chimeric Apo E peptides and has discovered AEM-28-14, resulting in a USPTO and PCT patent filing in 2015 supporting claims for a broad domain of Apo E mimetic peptides. AEM-28-14 was found to be more potent (as tested in multiple animal models) than the parent molecule, AEM-28. Currently the JV intends to concentrate its development efforts on AEM-28-14.

Subject to continued favorable study results and funding availability, the JV may pursue regulatory approval of AEM-28-14 as treatment for Homozygous Familial Hypercholesterolemia and other orphan indications in dyslipidemia.

About Capstone Therapeutics

Capstone Therapeutics is a biotechnology company committed to developing novel therapeutic peptides aimed at helping patients with under-served medical conditions. The Company is focused on development and commercialization of Chimeric Apo E Mimetic Peptides through the LipimetiX Development, Inc. joint venture and currently owns 59.3% of the joint venture.

Capstone's corporate headquarters are in Tempe, Arizona. For more information, please visit the Company's website: www.capstonethx.com. For more information on LipimetiX Development, please visit the JV's website: www.lipimetix.com.

Statements in this press release or otherwise attributable to Capstone regarding our business that are not historical facts are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from predicted results. These risks include the factors discussed in our Form 10-K for the fiscal year ended December 31, 2015, and other documents we file with the U.S. Securities and Exchange Commission.

Editor's Note: This press release is also available under the Investors section of the Company's website at www.capstonethx.com.