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Arch Therapeutics Announces Plans for Upcoming Activities

CAMBRIDGE, MA -- (Marketwired) -- 08/06/13 -- ***Arch Therapeutics, Inc.*** (OTCQB: ARTH) ("Arch" or the "Company"), a life science company and developer of AC5™, a novel product aimed at controlling bleeding and fluid loss in order to provide faster and safer surgical and interventional care, is pleased to provide a brief review of proposed future activities.

Arch Therapeutics CEO Dr. Terrence Norchi states, "We are thrilled to be moving ahead with the development of our core technology. We envision the potential future customers in the marketplace for AC5™ and related products will include surgeons and other doctors, government agencies, hospital and operating room management, ambulances and trauma specialists. These market segments, even taken separately, present meaningful opportunities for the Company."

According to a 2012 report produced by MedMarket Diligence, LLC, approximately 114 million surgical and procedure-based wounds occur annually worldwide, including 36 million from surgery in the U.S. We estimate that 20-25% of those surgeries are performed laparoscopically. Additionally, there are many minor procedures and operations that may not be included in those figures. Those surgeries and other procedures could benefit from sealants and hemostatic agents, as surgical and trauma patients are at significant risk for morbidity and mortality from bleeding and/or leaking body fluid.

As a result of this demand, use of hemostatic agents and sealants is increasing. According to MedMarket Diligence, the market for these products achieved approximately $3.4 billion in 2010 worldwide sales and is projected to reach $4.5 billion in 2013 and surpass $6.5 billion in 2017. Over two-thirds of those sales are for hemostats. The growth rate for sealants is even higher than that for hemostats due to a general lack of available products and potentially larger unmet need.

The results of early data from preclinical tests have shown that AC5™ achieves hemostasis quickly and effectively. From a commercialization perspective, improvements in relevant synthetic manufacturing techniques in the past several years have reduced complexity and decreased materials cost. Further, AC5 will be made of naturally occurring ingredients that are not sourced from humans or other animals, but do exist in humans in their natural state. This type of ingredient is categorized as "generally recognized as safe," or "GRAS," by the U.S. Food and Drug Administration ("FDA"). Although the FDA and other regulatory authorities or related bodies will finally determine the classification of AC5™, the Company believes it meets the criteria for a medical device.

In furtherance of its stated long-term business goals, the Company reiterated plans to focus on the following activities during the remainder of calendar year 2013 and calendar year 2014:

- further developing and securing intellectual property rights; and
- engaging a large scale manufacturing partner to produce cGMP product for clinical trials;
- participating in EU and, subsequently, U.S. regulatory meetings;
- preparing for initial clinical trials, including developing clinical trial protocols;
- conducting formal biocompatibility studies;
- commencing human clinical trials.

Company CEO Dr. Terrence Norchi further comments, "We believe that AC5™ will meet increasing demands, with anticipated market entry for use in laparoscopic, as well as open surgery. While open surgery represents the more established market for hemostatic agents, approximately one-quarter of surgeries are laparoscopic, and that number is growing. Many of the hemostasis products currently available do not possess certain features and handling characteristics that are ideal for the laparoscopic setting. Further, there seems to be increased pressure to perform more complex surgeries at reduced costs, including conducting operations in less expensive outpatient settings. We believe that the novel features and differentiating characteristics of our technology platform, starting with AC5™, will address the need for highly improved hemostatic and sealant products."

Additional details regarding Arch Therapeutics, Inc., its business, agreements and related matters are filed as part of the Company's continuous public disclosure as a reporting issuer under the Securities Exchange Act of 1934 filed with the Securities and Exchange Commission ("SEC"), and are available at the SEC's website at www.sec.gov. For more information, visit our website at www.archtherapeutics.com.

About Arch Therapeutics, Inc. (OTCQB: ARTH)
Arch Therapeutics, Inc. (OTCQB: ARTH) is a medical device company developing a novel approach to stop bleeding (hemostasis) and control leaking (sealant) during surgery and trauma care. Arch's goal is to develop and commercialize products based on our innovative technology platform that make surgery and interventional care faster and safer for patients. Arch's flagship development stage product candidate known as AC5™ is being designed to elegantly achieve hemostasis in minimally invasive and open surgical procedures. Find out more at www.archtherapeutics.com.

Notice Regarding Forward-Looking Statements
This news release contains "forward-looking statements" as that term is defined in Section 27(a) of the Securities Act of 1933, as amended, and Section 21(e) of the Securities Exchange Act of 1934, as amended. Statements in this press release that are not purely historical are forward-looking statements and include any statements regarding beliefs, plans, expectations or intentions regarding the future. Such forward-looking statements include, among other things, references to novel technologies and methods, our business and product development plans and projections, or market information. Actual results could differ from those projected in any forward-looking statements due to numerous factors. Such factors include, among others, the inherent uncertainties associated with developing new products or technologies and operating as a development stage company, our ability to retain important members of our management team and attract other qualified personnel, our ability to raise the additional funding we will need to continue to pursue our business and product development plans, our ability to develop and commercialize products based on our technology platform, and market conditions. These forward-looking statements are made as

of the date of this news release, and we assume no obligation to update the forward-looking statements, or to update the reasons why actual results could differ from those projected in the forward-looking statements. Although we believe that any beliefs, plans, expectations and intentions contained in this press release are reasonable, there can be no assurance that any such beliefs, plans, expectations or intentions will prove to be accurate. Investors should consult all of the information set forth herein and should also refer to the risk factors disclosure outlined in the reports and other documents we file with the SEC, available at www.sec.gov.

On Behalf of the Board,

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