

February 10, 2014



Arch Therapeutics Secures \$2.85 Million Private Placement

WELLESLEY, MA -- (Marketwired) -- 02/10/14 -- *Arch Therapeutics, Inc.* (OTCQB: ARTH) ("Arch" or the "Company"), a life sciences company and developer of the AC5 Surgical Hemostatic Device™, a novel product aimed at controlling bleeding and fluid loss in order to provide faster and safer surgical and interventional care has closed a previously announced private placement to accredited individual and institutional investors (the "Investors").

The transaction provided approximately \$2.77 million of net proceeds to the Company, after expenses. Arch intends to use the offering proceeds to advance its hemostasis development program, predominantly focusing on AC5 Surgical Hemostatic Device™, and for general corporate purposes.

Company President and CEO, Dr. Terrence Norchi comments, "We have great expectations for this year and the years to come. The proceeds from this transaction will be a significant contributor to our achieving the planned 2014 milestones previously described to the investment community. We are grateful to our current and new investors for their support."

The Company did not engage a placement agent in connection with the private placement. In addition to executing a securities purchase agreement (the "SPA"), which governed the transaction, Arch also entered into a registration rights agreement with the Investors, pursuant to which Arch shall file at least one registration statement with the U.S. Securities & Exchange Commission (the "SEC") registering the shares and warrant shares for resale under the Securities Act of 1933. A more fulsome descriptions of the terms and provisions of the SPA, Registration Rights Agreement, each series of the Warrants, as well as copies of each such document, are contained in the Current Report on Form 8-K filed by the Company on January 31, 2014, and the full text of those descriptions and documents is incorporated herein by reference.

This press release is not and shall not constitute an offer to sell or a solicitation of an offer to buy any of the securities described, and shall not constitute an offer, solicitation, or sale in any jurisdiction in which such offer, solicitation, or sale is unlawful.

About Arch Therapeutics, Inc. (OTCQB: ARTH)

Arch Therapeutics, Inc. is a medical device company developing a novel approach to stop bleeding (hemostasis) and control leaking (sealant) during surgery and trauma care. Arch is developing products based on an innovative self-assembling peptide technology platform to make surgery and interventional care faster and safer for patients. Arch's flagship development stage product candidate, known as AC5 Surgical Hemostatic Device™, is being designed to 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 and Section 21(e) of the Securities Exchange Act of 1934. 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 others, statements regarding the completion and timing of the private offering, the Company's planned use of any proceeds received from the private offering, references to novel technologies and methods, the Company's 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, market and other general economic conditions, the Company's and the investors' ability to satisfy the conditions required to close the private offering, the inherent uncertainties associated with developing new products or technologies and operating as a development stage company, 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 the Company assumes 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 the Company believes that any forward-looking statements contained in this press release are based on reasonable beliefs and assumptions, any such beliefs or assumptions may prove to be inaccurate. Investors should consult all of the information set forth herein and should also refer to the risk factors and other disclosures contained in the reports and other documents we file with the Securities and Exchange Commission, available at www.sec.gov.

On Behalf of the Board,
Terrence W. Norchi, M.D.
Arch Therapeutics, Inc.

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Contact:
ARTH Investor Relations
Toll Free: +1-855-340-ARTH (2784) (US and Canada)
Email: investors@archtherapeutics.com
Website: www.archtherapeutics.com

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