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**ELUSYS RECEIVES CONTRACT FOR UP TO \$143 MILLION
FROM THE U.S. FEDERAL GOVERNMENT TO FUND ADVANCED DEVELOPMENT OF
ANTHIM[®], A NEW TREATMENT FOR ANTHRAX**

*Funding awarded by BARDA (Biomedical Advanced Research & Development Authority);
Anthem being developed to treat inhaled anthrax, one of the top bioterrorism threats*

Pine Brook, NJ – January 4, 2010 – Elusys Therapeutics, Inc. (Elusys), a privately-held biopharmaceutical company, announced today that it has signed a contract potentially totaling up to \$143 million to complete the final development, commercial manufacturing and licensure of Anthem, the company's late stage anthrax therapeutic. Funding will be provided by the Biomedical Advanced Research and Development Authority (BARDA), within the Office of the Assistant Secretary for Preparedness and Response in the U.S. Department of Health and Human Services.

The first contract year, called the base year, provides \$16.8 million of funding with options for additional funding over the following four years. If licensed by the US Food and Drug Administration (FDA), the federal government could buy Anthem for the Strategic National Stockpile under Project Bioshield. Project Bioshield is designed to accelerate the research, development, purchase and availability of effective medical countermeasures for the Strategic National Stockpile. Anthem is being developed by Elusys to treat people stricken by inhaled anthrax and to prevent illness from anthrax.

“We are extremely pleased to extend our partnership with BARDA as we move into the final stages of drug development. This is a significant milestone for our company and the Anthem development program,” said Elizabeth Posillico, PhD, President and Chief Executive Officer of Elusys Therapeutics. “Anthem consistently provides significant survival benefit in the treatment of anthrax infection in animal models and is safe and well-tolerated when administered to human subjects. Anthem has the potential to deliver considerable therapeutic benefit to Americans infected with anthrax in a bioterrorism emergency.”

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The new contract, one of the largest awarded by BARDA for advanced product development, will support the company's clinical and commercial strategy, including scaling up manufacturing, expanded human safety trials and pivotal, non-clinical effectiveness studies in animals, through FDA licensure. Anthim has been granted Fast-Track status and Orphan Drug Designation by the FDA.

Anthim has been developed under a National Institutes of Health (NIH) contract, using the BARDA Biodefense Medical Countermeasures Development Fund, as well as funding from the Department of Defense and the private sector. Elusys has completed two safety studies in humans, and numerous studies demonstrating safety and efficacy in animal models.

At a recent BARDA Stakeholders Workshop, Elusys reported on data from two animal studies as well as clinical safety studies highlighting the therapeutic potential for Anthim in the treatment of anthrax disease. Using an established non-human primate treatment model, up to 79% of animals treated with a single, intravenous dose of Anthim at the onset of symptoms survived a lethal inhalational challenge with anthrax spores. All animals in this study had confirmed levels of anthrax in their blood at the time of Anthim treatment.

"Anthim shows significant survival benefit even when administered days after infection with anthrax spores," added Dr. Leslie Casey, Vice President of Research, Elusys. "Importantly, Anthim is a highly effective therapeutic countermeasure with potential to treat antibiotic-resistant strains of anthrax. Anthim can complement and potentially provide added benefit to antibiotic treatment as well."

Elusys also reported results from an animal study that demonstrated that a single dose of Anthim provided up to 94% survival when administered to study subjects after symptoms of disease were present.

The results of these studies are consistent with previously conducted animal studies using Anthim and continue to show the dramatic increase in survival that Anthim can provide. Anthim, given either by intravenous or intramuscular administration, also provides a high level of survival when given immediately after anthrax exposure in animal models.

In two dose-escalating human clinical safety studies, results show Anthim to be safe and well-tolerated at doses at or above the anticipated efficacious dose in humans.

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This project is supported with federal funds from the Office of the Assistant Secretary for Preparedness and Response, Biomedical Advanced Research and Development Authority (BARDA), under Contract No. HHSO100201000026C, and the National Institute of Allergy and Infectious Diseases (NIAID), National Institute of Health (NIH), the Department of Health and Human Services (HHS), under Contract No. HHSN272200700035C.

Anthim Background

Anthim has been extensively studied in multiple models of anthrax infection and has consistently prevented death in 70 – 100% of animals treated with a single dose of drug. Anthim shows excellent potential as an effective therapeutic for treatment of people infected or exposed to anthrax spores.

Anthim is a high-affinity, humanized and deimmunized monoclonal antibody that targets the protective antigen of *B. anthracis* and neutralizes the lethal effects of anthrax toxins. It is being developed for prevention and treatment of inhalational anthrax following a biowarfare attack. Prior to this contract, Elusys has received a total of \$34 million in government funding for advanced development of Anthim. Funding has been received from HHS, BARDA, NIAID and the Department of Defense.

About Elusys Therapeutics

Elusys Therapeutics, a private company based in Pine Brook, New Jersey, is focused on the development of antibody therapeutics for the treatment of life-threatening disease. Current investors include Essex Woodlands Health Ventures LLC, Invesco Private Capital, Crescendo Ventures, MedImmune Ventures and Pfizer. For more information please visit www.elusys.com.

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