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NEWS

FOR IMMEDIATE RELEASE:

ELUSYS AND U.S. ARMY EXTEND BIODEFENSE COLLABORATION

Company Comments on Recently Passed Pandemic and All-Hazards Preparedness Act and BARDA Legislation

PINE BROOK, NJ – December 13, 2006 – Elusys Therapeutics, Inc., a developer of targeted anti-infective therapeutics, today announced that it has extended its Cooperative Research and Development Agreement (CRDA) with the United States Army Medical Research Institute of Infectious Diseases (USAMRIID). Under the agreement, both parties will continue to perform collaborative research to develop therapeutics against anthrax and other unspecified biowarfare agents, using Elusys' HP Antibody™ technology.

George Elston, Vice President of Finance & Government Affairs at Elusys Therapeutics, commented on the agreement, "Elusys' work in biodefense began in 2000 with the initial USAMRIID collaboration and our anthrax therapeutic, Anthim™, evolved from that early research. Elusys has since advanced Anthim into the final stages of clinical development and today, this important countermeasure is well-positioned for stockpiling by the U.S. Government under Project BioShield."

Mr. Elston continued, "The new CRDA extension will focus on the application of the Elusys HP Antibody technology as a platform for developing safe and effective countermeasures against biowarfare agents and other emerging infections. We look forward to continuing this important collaboration with USAMRIID."

Elusys has received funding from the Department of Defense and the National Institutes of Health to accelerate the development of Anthim and the HP Antibody technology. In total, the Company has received over \$20 million from the U.S. Government for these programs.

Mr. Elston added, "We are encouraged that Congress has passed S. 3678, the Pandemic and All-Hazards Preparedness Act, which establishes the Biomedical Advanced Research and Development Authority (BARDA) within the Department of Health and Human Services. This legislation will help important countermeasures, such as Anthim, complete the expensive advanced development process necessary for purchase by the U.S. Government."

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Anthim™ Background

Anthim is a high-affinity monoclonal antibody, targeting the anthrax toxin Protective Antigen, that has demonstrated significant efficacy against anthrax infection in lethal animal spore challenge studies. Further, Anthim has been demonstrated to be safe and well tolerated when administered with and without antibiotics in a human safety study.

Anthim is being developed for prophylaxis and post-exposure treatment of inhalation anthrax. Anthim's low effective dose allows for rapid intramuscular delivery to both military and civilian personnel in emergency situations. Anthim has been granted Fast-Track status and Orphan Drug Designation by the FDA and is being developed under the FDA Animal Rule, a regulatory process specifically designed for the development of medical countermeasures to bioterror threats.

Heteropolymer (HP) Antibodies

HP Antibodies represent a new approach for the treatment of antibiotic resistant infections, distinct from traditional antibody therapy. HP Antibodies utilize immune system mechanisms to clear pathogens and provide a means to develop novel drug candidates targeted against bacterial, viral and fungal infections. By targeting a unique immune receptor (CR1), HP Antibodies enhance a natural clearance mechanism and direct the rapid removal of pathogens from the circulation through tissue macrophages. An animation of this unique technology is provided via this link: http://www.elusys.com/technology_hp_animation.php

About USAMRIID

USAMRIID is the lead laboratory for the Department of Defense's Medical Biological Defense Research Program and plays a key role in National defense and in infectious disease research. The Institutes' mission is to conduct basic and applied research on biological threats resulting in medical solutions (such as vaccines, drugs and diagnostics) to protect the warfighter.

USAMRIID is a subordinate laboratory of the U.S. Army Medical Research and Materiel Command. The information contained in this press release does not necessarily reflect the position or the policy of the Government and no official endorsement should be inferred.

About Elusys

Elusys is a privately-held biopharmaceutical company focused on the development of targeted anti-infective therapeutics using proprietary HP Antibodies for the treatment of life-threatening infectious disease. Current investors include Essex Woodlands Health Ventures LLC, Invesco Private Capital, Crescendo Ventures and MedImmune Ventures. For more information please visit www.elusys.com.