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FOR IMMEDIATE RELEASE

PHARMATHENE, INC. CLOSSES \$50 MILLION IN SERIES B FINANCING

Annapolis, Maryland - October 12, 2004 - PharmAthene, Inc., a privately-held biotechnology company developing a comprehensive array of countermeasures to bioterrorism, announced today the closing of \$50 Million in Series B Financing. The deal was led by MPM Capital and co-led by Bear Stearns Health Innoventures. HealthCare Ventures, the sole Series A Round investor, also participated.

“This Series B Financing will enable PharmAthene to become a leader in critical biodefense products beginning with the continued development of ToxBlox™ (a potent inhibitor of anthrax toxin being developed as a treatment for symptomatic patients). Moreover, it represents a strong vote of support for PharmAthene’s management team and our lead anthrax antitoxin therapeutic protein by a group of world-class investors,” said David P. Wright, PharmAthene’s President and Chief Executive Officer.

“PharmAthene is a leader in the fight against bioterror because of the foresight of our scientific founders and the early support and leadership of key U. S. Government partners including DARPA and the U. S. Army Medical Research and Materiel Command. We are committed to making PharmAthene’s portfolio of products a key weapon in our country’s fight against potential bioterror threats. We look forward to bringing new treatments to the U.S. Strategic National Stockpile,” Wright continued.

According to MPM Capital’s Founding Partner, Dr. Ansbert Gadicke, “Venture capitalists and the biopharmaceutical industry recognize the need for new therapeutics in the biodefense arena. However, the recently-passed Project BioShield began to address other important pieces of the puzzle, and MPM is responding in a major way. We are impressed by this management team’s track record of having brought new products to market at previous companies, and with PharmAthene’s visionary and clear focus on biodefense.”

Elizabeth A. Czerepak, Founding Partner of Bear Stearns Health Innoventures states that, “This financing gives PharmAthene the capital to fund further development of ToxBlox™ and to pursue other in-licensing and acquisition opportunities. We believe that PharmAthene will lead the sector and is the partner of choice for developing important biodefense products.”

According to Dr. James Cavanaugh, General Partner of HealthCare Ventures, “PharmAthene exemplifies the partnership between the private sector and government that is needed to develop



critical new biodefense technologies. The Nation's need for these biodefense products has never been greater, and we believe PharmAthene has an opportunity to break new ground and lead this new industry. We are very pleased to participate in the Company's B Round."

Following the financing, the company's board of directors will be expanded to include Dr. Ansbert Gadicke, Founding Partner of MPM Capital; Dr. Steven St. Peter, Principal of MPM and Elizabeth A. Czerepak, Founding Partner of Bear Stearns Health Innoventures. They will join existing board members, Mr. Joel McCleary, Chairman of the Board; Dr. James Cavanaugh, General Partner of HealthCare Ventures; Dr. John Mekalanos, Professor & Chairman, Department of Microbiology and Molecular Genetics at Harvard Medical School; John Gill, President & Chief Executive Officer and a Director of Gentara Corporation and David P. Wright, President and Chief Executive Officer of PharmAthene, Inc.

About ToxBlox™

ToxBlox™, (Dominant Negative Inhibitor, DNI), is a mutated form of the protective antigen (PA) produced by *Bacillus anthracis* that binds with naturally occurring toxic PA's. When bound to the PA heptamer, ToxBlox™ inactivates the anthrax toxin. The initial research on ToxBlox™, conducted by Harvard Medical School researchers, was funded through a grant from the National Institute for Allergy & Infectious Disease, a division of the National Institutes of Health (NIH). Critical funding and support to PharmAthene from the Defense Advanced Research Projects Agency (DARPA) and the U.S. Army Medical Research and Materiel Command (MRMC) has allowed for rapid development of ToxBlox™.

MPM Capital

MPM Capital is the world's largest dedicated investor in life sciences. With committed capital under active management of more than \$2.1 Billion, MPM is uniquely structured to invest globally in healthcare innovation. In addition to its BioVentures family of venture capital funds, MPM invests in the public markets through its MPM BioEquities hedge fund. Primarily in biotechnology, but also in medical devices and biopharmaceuticals, MPM has seamlessly integrated private and public equity products to target innovation in healthcare and, thereby, deliver exceptional returns to investors. The MPM BioVentures and MPM BioEquities family of funds are two distinctly different but highly complementary investment vehicles. For more information about MPM Capital, please visit www.mpmcapital.com.

Bear Stearns Health Innoventures

Bear Stearns Health Innoventures is a \$212 million venture capital fund focusing on innovative early through late-stage private biopharmaceutical companies. Bear Stearns Health Innoventures has led twelve investments to date and is managed by a team of industry executives with comprehensive experience in pharmaceutical discovery, development and commercialization. For more information about Bear Stearns Health Innoventures, please visit www.healthinnoventures.com.

HealthCare Ventures

HealthCare Ventures is one of the world's largest venture capital firms specializing in health care, making investments in early stage and emerging growth companies that have the potential for exceptional growth. The firm has successfully raised and managed seven funds in the past



nineteen years and has over \$1 Billion under management. HealthCare Ventures mission is to create, finance and manage high science healthcare companies with significant growth potential. For more information on HealthCare Ventures, please visit www.hcven.com.

PharmAthene, Inc.

PharmAthene was formed to meet the critical needs of this Nation by developing biodefense products. The Company is dedicated to the rapid development of important and novel biotherapeutics to address biological pathogens and chemicals that may be used as weapons of bioterror. PharmAthene is located in the Chesapeake Innovation Center in Annapolis, MD, the first technology incubator focused solely on homeland security. For more information on PharmAthene, please visit www.PharmAthene.com .

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