



PharmAthene

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NEWS RELEASE

For Immediate Release

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PharmAthene and Medarex Announce Phase I Clinical Trial of Valortim™

Fully Human Anti-Anthrax Antibody to Begin Clinical Trial

ANNAPOLIS, MD AND PRINCETON, NJ, August 8, 2005 - Medarex, Inc. (Nasdaq: MEDX) and PharmAthene, Inc., a privately held biotechnology company dedicated to the development of biodefense products, today announced the allowance of an Investigational New Drug (IND) application filed with the U.S. Food and Drug Administration (FDA) to initiate a Phase I clinical trial for Valortim™ (MDX-1303), a fully human monoclonal antibody targeting the *Bacillus anthracis* protective antigen. Valortim was developed using Medarex's UltiMab Human Antibody Development System® and will be the 24th UltiMab® product candidate to enter clinical studies.

The Phase I dose-escalation trial is expected to enroll up to 46 healthy volunteers and is designed to collect safety and pharmacokinetic data. The funding of this clinical trial is supported in large part by a grant from the National Institute of Allergy and Infectious Diseases, part of the National Institutes of Health, awarded to Medarex for product development of Valortim as an agent to counter the bioterrorism threat of anthrax exposure.

“I am delighted with our progress. Medarex and PharmAthene have worked diligently and efficiently to reach this significant milestone for Valortim. We are extremely enthusiastic about Valortim's ability to help the U.S. Government secure effective products to protect the nation's citizens from biological terrorism,” said David P. Wright, President and CEO of PharmAthene.

“We are pleased with the progress of our alliance with PharmAthene and to see Valortim advancing into clinical studies,” said Donald L. Drakeman, President and CEO of Medarex.

Dr. Israel Lowy, Medarex Senior Director of Clinical Science and Infectious Disease said, “In preclinical animal studies Valortim has been shown to protect both rabbits and monkeys against

the lethal effects of infection when administered at the time of exposure at doses as low as 1mg/kg. When administered to rabbits after the development of symptoms, Valortim also improved survival as late as 48 hours post-exposure as compared to controls.”

A recently performed study in non-human primates has demonstrated the potency of Valortim in this model using the potentially most clinically-useful intramuscular route of administration. In this study, the animals were challenged with a target aerosol dose of 200 times the median lethal dose of *B. anthracis* spores; 6 animals received no treatment, 6 animals received 1 mg/kg of Valortim intramuscularly, and 6 animals received 10 mg/kg of Valortim intramuscularly, all at the time of aerosol challenge. None of the animals were given antibiotics or other therapies. All control animals died within one week of the challenge; all treated animals in both dose groups were reported alive 60 days post-challenge. The animals continue to be observed and final analysis of the entire dataset is pending.

The program of animal efficacy studies, commercial manufacturing of Valortim and initial clinical trials, are all proceeding in accordance with the plans established by Medarex, and PharmAthene and in conformity with NIH grant requirements.

About Valortim

Valortim (MDX-1303) is a fully human antibody designed to protect against inhalation anthrax, the most lethal form of illness in humans caused by the *Bacillus anthracis* bacterium. The investigational antibody is designed to target a protein component known as the anthrax protective antigen of the lethal toxin complex produced by the bacterium. The anthrax protective antigen is believed to initiate the onset of the illness by attaching to cells in the infected person, and then is believed to facilitate the entry of additional destructive toxins into the cells. Valortim is designed to target anthrax protective antigen and protect the cells from damage by the anthrax toxins.

About Anthrax

According to the Centers for Disease Control and Prevention, anthrax is an acute infectious disease caused by the spore-forming bacterium *Bacillus anthracis*. Anthrax most commonly occurs in hooved mammals and can also infect humans. Symptoms of disease vary depending on how the disease was contracted, but usually occur within seven days after exposure. The serious forms of human anthrax are inhalation anthrax, cutaneous anthrax, and intestinal anthrax. Initial symptoms of inhalation anthrax infection may resemble a common cold. After several days, the symptoms may progress to severe breathing problems and shock. Inhalation anthrax is often fatal, even with the use of antibiotics.

About PharmAthene, Inc.

PharmAthene, a privately-held biotechnology company, was formed to meet the critical needs of the United States by developing biodefense products. PharmAthene 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’s lead programs include Valortim and Protexia™. 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 its website at www.PharmAthene.com.

About Medarex

Medarex is a biopharmaceutical company focused on the discovery, development and potential commercialization of fully human antibody-based therapeutics to treat life-threatening and debilitating diseases, including cancer, inflammation, autoimmune disorders and infectious diseases. Medarex applies its UltiMAb® technology and product development and clinical manufacturing experience to generate, support and potentially commercialize a broad range of fully human antibody product candidates for itself and its partners. With the addition of Valortim 24 of these therapeutic product candidates derived from Medarex technology will be in human clinical testing, with two of the most advanced product candidates presently in Phase III clinical trials. Medarex is committed to building value by developing a diverse pipeline of antibody products to address the world's unmet healthcare needs. For more information about Medarex, visit its website at www.medarex.com.

Statement on Cautionary Factors

For Medarex: Except for the historical information presented herein, matters discussed herein may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that are subject to certain risks and uncertainties that could cause actual results to differ materially from any future results, performance or achievements expressed or implied by such statements. Statements that are not historical facts, including statements preceded by, followed by, or that include the words “potential”; “believe”; “anticipate”; “intend”; “plan”; “expect”; “estimate”; “could”; “may”; or similar statements are forward-looking statements. Medarex disclaims, however, any intent or obligation to update these forward-looking statements. Risks and uncertainties include risks associated with product discovery and development, uncertainties related to the outcome of clinical trials, slower than expected rates of study subject enrollment, uncertainties related to scheduling and completing necessary animal experiments to satisfy the FDA Animal Rule requirements in the few facilities approved to perform such experiments, unforeseen safety issues resulting from the handling of *Bacillus anthracis*, unforeseen safety issues resulting from the administration of Valortim (MDX-1303) in human subjects, uncertainties related to product manufacturing as well as risks detailed from time to time in Medarex's public disclosure filings with the U.S. Securities and Exchange Commission (SEC), including its Annual Report on Form 10-K for the fiscal year ended December 31, 2004 and subsequent Quarterly Reports on Form 10-Q. There can be no assurance that such development efforts will succeed or that other developed products will receive required regulatory clearance or that, even if such regulatory clearance were received, such products would ultimately achieve commercial success. Copies of Medarex's public disclosure filings are available from its investor relations department.

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