



NEWS RELEASE

For Immediate Release

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PharmAthene and Medarex Receive \$2.05 Million Congressional Appropriation for Continued Development of Valortim™ for Prevention and Treatment of Anthrax Infection

ANNAPOLIS, MD and PRINCETON, NJ, January 10, 2006 - Medarex, Inc. (Nasdaq: MEDX) and PharmAthene, Inc., a privately held biotechnology company dedicated to the development of biodefense products, today announced the House and Senate conference committee on the FY 2006 Department of Defense (DoD) Appropriations bill has included \$2.05 million to support ongoing development of Valortim™, a fully human monoclonal antibody being developed for the prevention and treatment of anthrax infection. The FY 2006 DoD appropriations bill was signed into law (PL 109-148) by President Bush on December 30, 2005. This is the second consecutive year PharmAthene has received funding in the DoD appropriation bill. Valortim™ is an investigational fully human antibody developed using Medarex's UltiMAb Human Antibody Development System®.

“We believe that the development of therapeutics to prevent and treat anthrax infection is a critical biosecurity priority,” remarked David P. Wright, President and Chief Executive Officer of PharmAthene. “Anthrax has already been employed as a weapon of bioterror in this country, and the probability of another bioterrorist anthrax attack continues to be a threat to our nation and its citizens.”

Mr. Wright continued, “We are very enthusiastic about helping the U.S. Government secure effective products to protect the nation’s citizens from biological terrorism. We believe that Valortim™ is distinct among monoclonal antibodies currently in development for anthrax, and may be ideally suited for the prevention and treatment of anthrax infection. In animal studies potency was demonstrated by maintenance of efficacy even at the lowest dose tested. Animal studies also demonstrated efficacy in both pre and post-exposure prophylaxis and treatment for anthrax infection. We anticipate that results from additional animal efficacy studies and a Phase I human safety and pharmacokinetic trial, which are being partially funded through NIH grants,

will be available later this year. Collectively, we expect that the data from these studies will support procurement of Valortim™ for the Strategic National Stockpile.”

“We are pleased with the government’s decision to provide further funding toward the continued development of Valortim™—a product that could play an important role in biodefense,” said Donald L. Drakeman, President and CEO of Medarex.

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 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. Twenty-seven of these therapeutic product candidates derived from Medarex technology are in human clinical testing or have had INDs submitted for such trials, with two of the most advanced product candidates currently 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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