

For Immediate Release

Contacts:

PharmAthene, Inc.

*Stacey Jurchison
Director, Corporate Communications
Phone: +1-410-571-8925
jurchisons@pharmathene.com*

Medarex, Inc.

*Laura S. Choi
Investor Relations
Phone: +1-609-430-2880, x2216*

*Jean Mantuano
Corporate Communications (media)
Phone: +1-609-430-2880, x2221*

**PharmAthene and Medarex Announce \$1 Million Congressional Appropriation
for Continued Development of Anthrax Therapeutic Valortim™**

**Detailed pre-clinical research results recently published
in the journal *Infection and Immunity***

PRINCETON, NJ and ANNAPOLIS, MD, October 11, 2006 - Medarex, Inc. (NASDAQ: MEDX) and PharmAthene, Inc., a privately held biotechnology company, today announced that the FY 2007 Department of Defense (DoD) appropriations law includes \$1.0 million payable to PharmAthene to support ongoing development of Valortim™, an investigational fully human monoclonal antibody being developed for the prevention and treatment of anthrax infection. Valortim was generated by Medarex's UltiMab Human Antibody Development System®. This is the second consecutive year in which PharmAthene, a biodefense company specializing in the development and commercialization of medical countermeasures against chemical and biological terrorism, has received funding for further study of Valortim.

David P. Wright, President and Chief Executive Officer of PharmAthene commented, "Given the anthrax attacks of 2001, in which five people died and others were sickened, there is clearly an urgent unmet medical need for newer, more effective therapies for anthrax."

"Based on the available preclinical and clinical data, we believe that Valortim is ideally suited for the prevention and treatment of anthrax infection and is a strong candidate for procurement in the Strategic National Stockpile under Project BioShield," continued Mr. Wright. "Studies have demonstrated efficacy in animals in both pre- and post-exposure prophylaxis and treatment for anthrax infection, potentially enabling therapeutic intervention after the appearance of disease symptoms, when antibiotic therapy is progressively less effective. In addition, we believe that its mechanism of action is distinct from other monoclonal antibodies in advanced development for anthrax, and appears to utilize a similar mechanism to the natural protective response to anthrax vaccine. Valortim has the potential to provide immediate protection compared to vaccines, which may take months to confer similar protection."

“We believe that Valortim has the potential to become an important part of the government’s biodefense initiative. This appropriation will help to continue the development of a potentially important product to fight anthrax infection,” said Donald L. Drakeman, President and CEO of Medarex.

Findings of preclinical studies describing the activity of Valortim against anthrax infection were published recently in the October 2006 issue of the journal *Infection and Immunity*. An article abstract is available on the journal web site at <http://iai.asm.org/cgi/content/abstract/74/10/5840>. These findings show that the three-way interaction between Valortim, anthrax protective antigen and Fc receptors (FcR) on macrophage and dendritic cells appears to result in an efficient and potent neutralization of the toxin complex, and this mechanism has not been previously described in studies of other known anthrax neutralizing antibodies. Importantly, the ability to take advantage of this FcR interaction is also found in the protective serum raised in individuals after vaccination with effective anthrax vaccines. These data suggest that the FcR interaction is a characteristic shared by Valortim and optimal natural immune responses raised by vaccination. The companies believe that the FcR interaction may contribute to Valortim’s potency and durability of protection seen in the animal studies.

Valortim has recently completed a Phase I open-label, dose-escalation clinical trial to evaluate the safety, tolerability, immunogenicity, and pharmacokinetics of a single dose of Valortim administered intravenously or intramuscularly in healthy volunteers. Results from this trial will be presented October 15th, 2006 at the 44th Annual Meeting of the Infectious Diseases Society of America in Toronto, Canada.

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 hoofed 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, 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™, a treatment for

anthrax, which is being co-developed with Medarex, Inc., and Protexia®, a treatment for nerve agent exposure. PharmAthene is located in the Chesapeake Innovation Center in Annapolis, MD, America's first business accelerator for the homeland and national security sectors. PharmAthene has been successful in obtaining U.S. Government and venture capital funding to finance the development of its portfolio products. For more information on PharmAthene, please visit 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. Thirty-three of these therapeutic product candidates derived from Medarex technology are in human clinical testing or have had INDs submitted for such trials, with six 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, 2005 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.

###