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**PRELIMINARY DATA ADD NEW MECHANISTIC INSIGHTS TO
ACTIVITY OF ANTHRAX ANTI-TOXIN, VALORTIM™**

ANNAPOLIS, MD. and PRINCETON, N.J., July 31, 2007 - PharmAthene, Inc., a biodefense company developing and commercializing medical countermeasures against biological and chemical threats, and Medarex, Inc. (NASDAQ: MEDX), a leading monoclonal antibody company, today announced the results of new studies showing that the companies' anthrax anti-toxin, Valortim™ may possess the ability to enhance macrophage killing of *Bacillus anthracis* (anthrax) spores within macrophages, potentially blocking the ability of these spores to develop into bacteria, thereby preventing toxin production and propagation of the infection.

The new data were recently presented by Dr. Alan Cross, Professor of Medicine, University of Maryland School of Medicine, Baltimore, Maryland, and Dr. Solomon Langermann, Vice President and Chief Scientific Officer for PharmAthene, at the *Bacillus ACT 2007 International Conference on Bacillus anthracis* held June 17-21 in Oslo, Norway. Valortim, a fully human monoclonal antibody generated by Medarex's UltiMAB® technology, is being co-developed for potential use as an anti-toxin therapeutic to prevent and treat inhalation anthrax.

The studies presented by Drs. Cross and Langermann explored the mechanism by which Valortim promotes the killing of *Bacillus anthracis* (anthrax) *in vitro* (in test tube).

“These new data show that Valortim may enhance macrophage killing of anthrax spores, and suggest that Valortim might also be able to block germinating spores from producing rapidly growing bacteria with release of the lethal toxins which are usually fatal in infected individuals,” said Dr. Cross. “Another interpretation is that Valortim may neutralize the deleterious effects of anthrax toxins in the immune system thereby allowing the mouse innate immune system to deal more effectively with the infection.”

A preclinical study led by Dr. Cross showed that Valortim protected mice from lethal infection with *Bacillus anthracis*. In the study, mice were pretreated with 5-10 mcg of Valortim and then exposed to spores of the *Bacillus anthracis* Sterne strain of anthrax via injection. Of the seven mice pretreated with Valortim, all survived compared to seven mice in a control group, in which none received Valortim and none survived. These data extend the panel of animals in which the *in vivo* protective activity of Valortim against anthrax infection has been demonstrated, and offers an attractive mouse model for further studies.

In a second study, Valortim was applied *in vitro* to mouse macrophages and *Bacillus anthracis* spores. The results showed that the addition of Valortim enhanced the killing of *Bacillus anthracis* (anthrax) spores by macrophages in a time and dose-dependent manner.

“We have assumed that the potent anthrax toxin neutralizing activity of Valortim protects infected organisms from overwhelming toxin production made by replicating bacteria,” remarked Dr. Langermann. “However, Dr. Cross’ research suggests that activity of Valortim may also be manifested at an earlier stage, by enhancing the initial spore killing activity of macrophages, which are specialized immune system cells. Further work is ongoing to more fully characterize these intriguing results.”

“The presence of the exosporium (a coating of bacterial derived components that normally surround free spores) has been shown by Dr. Cross in previous research to inhibit killing of spores by macrophages,” commented Dr. Israel Lowy, Senior Director of Clinical Science and Infectious Diseases at Medarex. “The experiments suggest that Valortim might negate inhibitory effects of the exosporium, and allow the macrophage to regain its full sporicidal activity. We look forward to further studies of this potential mechanism of Valortim in impeding anthrax infection.”

The work reported by Dr. Cross is supported by the Maryland Industrial Partnerships Program (MIPS). The MIPS program was developed to accelerate the commercialization of technology in Maryland by jointly funding collaborative R&D projects between companies and University System of Maryland faculty.

About Valortim

Valortim (MDX-1303) is a fully human antibody designed to protect against anthrax infection, including 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 (PA) 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.

Valortim has been administered intravenously and intramuscularly to healthy human volunteers in a completed phase I study, and was well tolerated at doses as high as 20 mg/kg (IV), and was not immunogenic. These study results were presented at the 2006 Annual Meeting of the Infectious Diseases Society of America. Pharmacokinetic analysis suggested that doses as low as 1 mg/kg resulted in circulating levels of antibody after a month, with a similar potency for neutralizing anthrax toxin *in vitro* as was seen with serum obtained from subjects who had been vaccinated with anthrax vaccine.

Preclinical studies suggest that Valortim has the potential to provide protection against anthrax infection when administered prophylactically (prior to the emergence of symptoms of anthrax infection) and also may increase survival when administered therapeutically (once symptoms become evident).

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 is 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. Currently, antibiotics are the only drugs available for therapeutic or prophylactic use, and post-exposure prophylaxis is the only FDA-approved indication for such products. However, antibiotic therapy, while useful, is associated with a number of limitations, including: (1) lack of activity against the toxins produced by the *B. anthracis* bacteria (2) need for long-term dosing to achieve full protection complicated by side effects and non-compliance (3) lack of efficacy when administered late in the anthrax disease cycle, and (4) lack of effectiveness of current antibiotics against multi-drug resistant or genetically engineered strains of anthrax.

About PharmAthene, Inc.

PharmAthene, a privately-held biotechnology company, was formed to meet the critical needs of the United States by developing and commercializing medical countermeasures against biological and chemical weapons. PharmAthene's lead programs include Valortim™ for the prevention and treatment of anthrax infection and Protexia® for the prevention and treatment of morbidity and mortality associated with exposure to chemical nerve agents. For more information on PharmAthene, please visit www.PharmAthene.com.

In January 2007, PharmAthene announced that it had signed a definitive merger agreement with Healthcare Acquisition Corp. (AMEX: HAQ). HAQ has filed with the Securities and Exchange Commission a definitive proxy statement in connection with the proposed merger transaction involving PharmAthene.

HAQ AND ITS DIRECTORS AND EXECUTIVE OFFICERS AS WELL AS PHARMATHENE AND ITS DIRECTORS AND EXECUTIVE OFFICERS MAY BE DEEMED TO BE PARTICIPANTS IN THE SOLICITATION OF PROXIES FOR THE SPECIAL MEETING OF HAQ'S STOCKHOLDERS TO BE HELD TO APPROVE THE PROPOSED MERGER. SECURITYHOLDERS AND OTHER INTERESTED PERSONS ARE URGED TO READ THE DEFINITIVE PROXY STATEMENT REGARDING THE PROPOSED MERGER FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON JULY 13, 2007 AS IT CONTAINS IMPORTANT INFORMATION ABOUT THE PROPOSED MERGER. HAQ'S DEFINITIVE PROXY STATEMENT HAS BEEN MAILED TO HAQ'S STOCKHOLDERS AS OF A RECORD DATE ESTABLISHED FOR VOTING ON THE PROPOSED MERGER. STOCKHOLDERS MAY ALSO OBTAIN A COPY OF THE DEFINITIVE PROXY STATEMENT, WITHOUT CHARGE, BY DIRECTING A REQUEST TO HAQ AT: **2116 FINANCIAL CENTER, 666 WALNUT STREET, DES MOINES, IOWA 50309**. THE DEFINITIVE PROXY STATEMENT AND THE FINAL PROSPECTUS AND OTHER SEC FILINGS OF HAQ CAN ALSO BE OBTAINED, WITHOUT CHARGE, AT THE SECURITIES AND EXCHANGE COMMISSION'S INTERNET SITE (<http://www.sec.gov>).

HAQ AND PHARMATHENE CLAIM THE PROTECTION OF THE SAFE HARBOR FOR "FORWARD-LOOKING STATEMENTS" WITHIN THE MEANING OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995. FORWARD-LOOKING STATEMENTS ARE STATEMENTS THAT ARE NOT HISTORICAL FACTS. SUCH FORWARD-LOOKING STATEMENTS, BASED UPON THE CURRENT BELIEFS AND EXPECTATIONS OF MANAGEMENT OF HAQ AND PHARMATHENE REGARDING, AMONG OTHER THINGS, THE BUSINESS OF PHARMATHENE AND THE MERGER, ARE SUBJECT TO RISKS AND UNCERTAINTIES, WHICH COULD CAUSE ACTUAL RESULTS TO DIFFER FROM THE FORWARD-LOOKING STATEMENTS. RISKS AND UNCERTAINTIES INCLUDE RISKS ASSOCIATED WITH THE RELIABILITY OF THE RESULTS OF THE INITIAL WORK CONDUCTED ON VALORTIM™ RELATING TO ANIMAL EFFICACY, HUMAN SAFETY AND LIKELIHOOD OF SUCCESSFUL DEVELOPMENT OF AN EFFICIENT AND SCALABLE MANUFACTURING PROCESS, UNEXPECTED FUNDING DELAYS BY NIAID, 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. 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.

About Medarex, Inc.

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. More than 30 of these therapeutic product candidates derived from Medarex technology are in human clinical testing or have had INDs submitted for such trials, with seven 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 the reliability of the results of the initial work conducted on Valortim™ (MDX-1303) relating to animal efficacy, human safety and likelihood of successful development of an efficient and scalable manufacturing process, unexpected funding delays by NIAID, unforeseen safety issues resulting from the handling of *Bacillus anthracis*, unforeseen safety issues resulting from the administration of Valortim 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, 2006 and its 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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