

For Immediate Release

Contacts:

PharmAthene, Inc.

*Stacey Jurchison
Director, Corporate Communications
Phone: +1-410-269-2610
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 FY 2008 U.S. Congressional
Appropriation of up to \$1.6 Million for Continued Development of Anthrax
Therapeutic Valortim™

ANNAPOLIS, MD and PRINCETON, NJ, January 8, 2008 - PharmAthene, Inc., (Amex: PIP) a biodefense company developing medical countermeasures against biological and chemical threats, and Medarex, Inc. (NASDAQ: MEDX), a leading monoclonal antibody company, today announced that the FY 2008 U.S. Congressional appropriation for the Department of Defense (DoD) includes up to \$1.6 million payable to PharmAthene on a cost reimbursement basis to support ongoing development of Valortim™, a fully human monoclonal antibody generated by Medarex's UltiMAb® technology that is being co-developed by the two companies for the prevention and treatment of anthrax infection.

David P. Wright, President and Chief Executive Officer of PharmAthene commented, "We're very pleased by the U.S. Government's ongoing support of Valortim and commitment to advancing this important product for consideration as part of our Nation's arsenal to protect against the devastating consequences of an anthrax attack. Total government funding pledged in support of Valortim over the last four fiscal years is up to \$23 million, excluding this FY 08 appropriation."

Mr. Wright continued, "Valortim has demonstrated potent activity in neutralizing the anthrax toxin in preclinical studies as well as favorable safety data collected from our Phase I clinical study. We believe that Valortim may have important competitive advantages which, if demonstrated, would make it a strong choice for procurement consideration in the Strategic National Stockpile."

"This funding will contribute to the continued development of this potentially important biodefense product. Together with PharmAthene we continue to advance the development of Valortim and believe that data collected to date—from preclinical and clinical research—show that Valortim could become an important part of the government's biodefense program to prevent and treat anthrax infection," said Israel Lowy, M.D., Ph.D., Senior Director of Infectious Disease for Medarex.

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, 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 significant 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 hoofed 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 if treated by 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 believed to be 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 against multi-drug resistant or genetically engineered strains of anthrax.

About PharmAthene, Inc.

PharmAthene (Amex: PIP) was formed to meet the critical needs of the United States and its allies 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.

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 PharmAthene: Except for the historical information presented herein, matters discussed 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”; “should”; “could”; or similar statements are forward-looking statements. PharmAthene 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 studies relating to human safety and possible adverse effects resulting from the administration of Valortim in humans, timely and successful development of an efficient and scalable manufacturing process, unexpected funding delays by NIAID/BARDA, unforeseen safety issues resulting from the handling of Bacillus anthracis, as well as risks detailed from time to time in PharmAthene’s public disclosure filings with the U.S. Securities and Exchange Commission (the “SEC”). 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 PharmAthene’s public disclosure filings are available from its investor relations department.

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”; “suggest”; “may”; “appear”; or similar statements are forward-looking statements. Medarex disclaims, however, any intent or obligation to update these forward-looking statements, except as required by law. 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/BARDA, 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, 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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