

FOR IMMEDIATE RELEASE

Neugenesis Wins DARPA Contract to Develop Expression Technology Platform to Accelerate Protein Production Technology Platform to be used for Rapid Manufacturing of Vaccines and Monoclonal Antibodies

Burlingame, Calif, July 17, 2007 - Neugenesis Corporation announced today that the company has been awarded a multi-million dollar Phase I contract by the Defense Advanced Research Projects Agency (DARPA) to develop expression technologies that will accelerate recombinant protein production for the rapid manufacturing of vaccines and drugs. Neugenesis collaborated on the winning proposal with SRI International, Xcellerex and BioPharm Services.

The Neugenesis research program, named RHA2PD (Rapid and High-level Antigen and Antibody Production for Defense) is part of DARPA's U.S. military rapid response preparedness efforts for biological threats, such as pandemic flu and other infectious disease. The program, known as the Accelerated Manufacture of Pharmaceuticals is a three phase effort which will ultimately allow Neugenesis and its collaborators to develop a commercially viable system that can produce up to 3 million doses of a vaccine or a monoclonal antibody therapeutic in a 12 week period.

Dr Michael Callahan, Program Manager for DARPA commented: "The Accelerated Manufacture of Pharmaceuticals program will develop radically-enhanced high-throughput manufacturing technologies to direct novel protein expression platforms to produce vaccines and antibodies at unprecedented rates, in huge quantities and at extraordinary low cost per dose."

"Neugenesis is honored to be leading such a highly qualified collaboration team in the development of this Biodefense platform," said Dr. W. Dorsey Stuart, Neugenesis' founder and Chief Executive Officer. "The synergy of the collaboration team's technologies, along with our proprietary NeuBIOS™ protein production platform, will position us to meet the ambitious goals set by the DARPA project."

The DARPA initiative is a 3.5 year, three phase program designed to significantly shorten the time and reduce the cost currently required to produce proteins for use in therapeutics and vaccines. The goal is to diminish the need for stockpiling and to enhance the military's ability to rapidly respond to biological threats. The 12 month Phase I contract will focus on optimizing cell lines to express a model vaccine antigen and antibody and to demonstrate cost effective and rapid small-scale production. Phases II and III will be aimed at further process optimization and production scale up.

The NeuBIOS™ technology utilizes proprietary production strains of filamentous fungi. This platform has already been utilized to make a range of active proteins including human growth factors, monoclonal antibodies and vaccine antigens. Utilizing the NeuBIOS™ platform it is possible to go from master production strain to completed manufacturing run in less than 6 weeks, providing significant reductions in production timelines and costs.

more

About the collaboration team:

Neugenesis Corporation (www.neugenesis.com) has proprietary fungal protein expression platforms for rapid, low-cost, high level protein manufacturing. The NeuBIOS™ and the NeuKARYON™ platforms allow for rapid generation of production strains expressing a wide range of therapeutic proteins. These platforms are readily scalable and manufacturing requires significantly less infrastructure than traditional methods. In addition to its proprietary position in therapeutics production, Neugenesis has proprietary technologies in the areas of cell based gene directed evolution and cell based combinatorial biology (CombiKARYON™ technology).

SRI International (www.sri.com) is one of the world's leading independent research and technology development organizations. Founded as Stanford Research Institute in 1946, SRI has been meeting the strategic needs of clients for more than 60 years. The nonprofit research institute performs client sponsored research and development for government agencies, commercial businesses, and private foundations. In addition to conducting contract R&D, SRI licenses its technologies, forms strategic partnerships, and creates spin-off companies.

Xcellerex (www.xcellerex.com) provides next generation manufacturing services and systems for biotherapeutics and vaccines based on proprietary, single use platform technology. The company's flexible, modular manufacturing (FlexFactoryT), and disposable bioreactor (XDRT), create a new paradigm in biomanufacturing. The FlexFactoryT platform dramatically enhances flexibility to make process changes quickly and enables manufacturing capacity to be rapidly deployed and at significantly lower costs than traditional single use, fixed facilities. This manufacturing platform coupled with the PDMaXT, high through-put process development platform, provides a complete capability from selection of high producing cell lines through to maximum manufacturing capacity.

BioPharm Services (www.BioPharmservices.com) is a technical consultancy dedicated to helping clients in the Biopharmaceutical manufacturing sector to reduce costs, understand their markets, improve productivity and reduce their time to market. The company offers a range of specialist services including market research and business development, economic analysis, process simulation, facility design and validation.

Contacts:

Dr. W Dorsey Stuart
Chief Executive Officer
Neugenesis Corporation

Laurie Fosner
Administrator - Media Contact
Neugenesis Corporation
(650) 689-2220

###