



News Release

PharmAthene's rPA Anthrax Vaccine Program Demonstrates 36 Month Product Stability

IMPORTANT TECHNICAL MILESTONE REACHED

ANNAPOLIS, Md., July 12, 2011 /PRNewswire via COMTEX/ -- PharmAthene, Inc. (NYSE Amex: PIP) announced today that it has achieved an important program milestone in its recombinant protective antigen (rPA) anthrax vaccine program and demonstrated 36 month stability of its rPA drug product candidate previously produced at Avecia Biologics Laboratories in the United Kingdom. The stability data were prepared utilizing a variety of analytical methods and a well characterized mouse challenge potency assay.

Dr. Thomas Fuerst, Executive Vice President and Chief Scientific Officer, remarked, "Demonstration of 36 month final product stability is considered an important technical milestone under our current contract with the Biomedical Advanced Research and Development Authority (BARDA). We are extremely pleased to announce this achievement, which suggests that our rPA product candidate is both highly stable and potent. Stability has historically been a stumbling block for other recombinant anthrax vaccine programs, so we're especially excited about these ongoing results, which represent an important breakthrough for PharmAthene's rPA vaccine program.

In addition, our process sciences team has made excellent progress optimizing the fermentation process and successfully demonstrated a 6-fold increase in rPA yield at the bulk drug substance stage, which is significant. Our robust manufacturing platform, which utilizes *E. coli* rather than *B. anthracis*, enables significantly enhanced rPA production yield without production of destructive proteases, a key differentiating feature between PharmAthene and other rPA programs."

"The use of modern recombinant vaccine technology provides a number of distinct advantages," continued Dr. Fuerst. "First, the engineered cells produce only the protective antigen (PA) component of the anthrax toxin, resulting potentially in a more consistent vaccine. The enhanced consistency and purity of rPA-based vaccines may reduce the likelihood of side effects and adverse reactions. Additionally, we have established a manufacturing process whereby inclusion bodies (an intermediate step in the process) can be frozen and stored for surge capacity. Finally, recombinant technology employing modern, industrial biotechnology manufacturing processes, provides the flexibility to rapidly scale up production in the event of a national emergency. These advantages should translate to a much more cost effective vaccine for the U.S. government and its citizens. Modern commercial recombinant vaccines have proven highly effective against several important diseases, including hepatitis and human papillomavirus infections, and we look forward to continuing to advance our rPA anthrax vaccine towards commercialization in order to better protect Americans both at home and on the battlefield."

PharmAthene's rPA anthrax vaccine program has been funded in whole or in part with Federal funds from the National Institute of Allergy and Infectious Disease, National Institutes of Health and the Biomedical Advanced Research and Development Authority.

About PharmAthene, Inc.

PharmAthene 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 product development programs include:

SparVax(TM) - second generation recombinant protective antigen (rPA) anthrax vaccine

Valortim® - fully human monoclonal antibody for the prevention and treatment of anthrax infection

rBChE (recombinant butyrylcholinesterase) - a medical countermeasure for nerve agent poisoning by organophosphorous compounds, including nerve agents and pesticides

Statement on Cautionary Factors

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"; "will"; "project"; "potential"; or similar statements are forward-looking statements. PharmAthene disclaims any intent or obligation to update these forward-looking statements other than as required by law. Risks and uncertainties include risk associated with the reliability of the results of the studies relating to human safety and possible adverse effects resulting from the administration of the Company's product candidates, unexpected funding delays and/or reductions or elimination of U.S. government funding for one or more of the Company's development programs, the award of government contracts to our competitors, unforeseen safety issues, challenges related to the development, scale-up, technology transfer, and/or process validation of manufacturing processes for our product candidates, unexpected determinations that these product candidates prove not to be effective and/or capable of being marketed as products, challenges related to the implementation of our NYSE Amex compliance plan, as well as risks detailed from time to time in PharmAthene's Forms 10-K and 10-Q under the caption "Risk Factors" and in its other reports filed with the U.S. Securities and Exchange Commission (the "SEC"). In particular, at this point there can be no assurance that PharmAthene's rPA product candidate will be shown to be safe and effective and approved by regulatory authorities for use in humans. Copies of PharmAthene's public disclosure filings are available from its investor relations department and our website under the investor relations tab at <http://www.pharmathene.com/>.

SOURCE: PharmAthene, Inc.