



July 28, 2008

Malaria Vaccine Developer Sanaria Inc. and the University of Maryland Biotechnology Institute Awarded Collaborative, Multi-Year, US \$600,000 NIH Phase I Small Business Innovation Research Grant

Rockville MD— Sanaria Inc., a privately held company in Rockville, Maryland, and the University of Maryland Biotechnology Institute (UMBI) announced the receipt of a multi-year Small Business Innovation Research (SBIR) Grant from the National Institute of Allergy and Infectious Diseases (NIAID) of the National Institutes of Health. The grant will support research and development efforts to genetically engineer mosquitoes that can enhance Sanaria's whole-parasite malaria vaccine production process. Malaria vaccine development is a major humanitarian objective. Malaria causes more than 500 million clinical cases and one million deaths each year. The majority of victims are African children. Tens of thousands of travelers contract malaria annually. During the past 150 years, whenever U.S. military forces have been deployed to areas with significant malaria transmission, they have suffered more casualties from malaria than from hostile fire.

According to Dr. David O'Brochta, Ph.D., a Principal Investigator on the grant and Director of the Insect Transformation Facility at UMBI, "The partnership between Sanaria and UMBI supported by this SBIR grant is an ideal example of public-private partnership in the development of groundbreaking technology. It presents an extraordinary opportunity to exploit the capabilities of our Insect Transformation Facility in pursuit of a goal of enormous biomedical importance."

Stephen L. Hoffman, M.D., CEO of Sanaria Inc., notes, "We have now competed successfully for over US \$12 million in peer-reviewed NIAID SBIR grants. The SBIR grants and our other grants are providing more than US \$50 million to Sanaria. These grants are critical to the success of our Malaria Vaccine development efforts which are aimed at reducing the enormous morbidity and mortality caused by malaria throughout the world, but especially in infants and children in sub-Saharan Africa. This collaboration with the UMBI provides an excellent opportunity to exploit state-of-the-art mosquito transformation technology in pursuit of our goal of producing very high numbers of malaria parasites in mosquitoes."

About Sanaria Inc.

Sanaria Inc. was founded in 2003. The company's mission is to develop and commercialize a malaria sporozoite vaccine against *Plasmodium falciparum*, the parasite responsible for more than 95 percent of malaria-associated severe illness and death world-wide, and the malaria parasite for which there is the most significant drug resistance. Sanaria plans to begin the first human trials of its Malaria Vaccine in 2009. For more information, see <http://www.sanaria.com>. Except for historical information, this news release contains certain forward-looking statements that involve known and unknown risks and uncertainties, which may cause actual results to differ materially from any future results, performance or achievements expressed or implied by the statements made. These forward-looking statements relate to the use of funds to date to complete manufacturing the vaccine, and ability to raise sufficient funding for clinical studies. Such risks and uncertainties include, but are not limited to, the Company's ability to raise funds on reasonable terms, the regulatory approval process, competitive products, and maintenance of its patent portfolio, among others.

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About UMBI and the Insect Transformation Facility

With research centers in Baltimore, Rockville, and College Park, UMBI, the University of Maryland Biotechnology Institute, is the newest of 13 institutions forming the University System of Maryland. UMBI has more than 60 ladder-ranked faculty and a mandate to advance the biotechnology economy while preparing a well-equipped workforce. Celebrating more than 20 years of service to Maryland and the world, UMBI is led by microbiologist and former biotechnology executive Dr. Jennie C. Hunter-Cevera. For more information visit <http://www.umbi.org>. UMBI's Insect Transformation Facility (ITF) provides a variety of services related to the creation of transformant insects including embryo microinjections, transformant strain production and characterization, facility use, consultation, and training. The ITF has skilled insect transformation professionals with experience and expertise in a wide variety of insects of agricultural and biomedical significance. The ITF can accommodate a variety of working relationships with researchers including collaborations, subcontracts, and fee-for-services. For more information, visit <http://umbi.org/carb/core-facilities/insect-transformation/facility.php> or call 240-314-6331.

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