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FOR IMMEDIATE RELEASE

VAXIN & AUBURN UNIVERSITY RECEIVE MILLION DOLLAR GRANT FROM FOUND ANIMALS FOUNDATION TO DEVELOP A VACCINE TO STERILIZE DOGS AND CATS

Gaithersburg, MD – December 5, 2011 – Vaxin Inc., a clinical stage vaccine development company, and the Scott-Ritchey Research Center at the Auburn University College of Veterinary Medicine announce a $1 million *Michelson Grant* from the Found Animals Foundation to continue development of a vaccine that may provide an alternative to surgical spay and neuter for cats and dogs.

The three-year project draws upon the science of Vaxin's vaccine technology already tested in humans for influenza and the Scott-Ritchey Research Center's commitment to develop contraceptive vaccines for companion animals. As a condition of *Michelson Grant* funding, Found Animals Foundation receives first right of refusal to an exclusive, worldwide license to market and sell products resulting from the research it funds.

With the *Michelson Grant*, Vaxin and their collaborators at Auburn's Scott-Ritchey Center will pursue the $25 million *Michelson Prize* offered by Found Animals Foundation, a Los Angeles-based nonprofit. Comparable to the widely publicized "X Prizes," which encourage scientists to develop innovative solutions to global challenges, the Found Animals Foundation's *Michelson Prize in Reproductive Biology* seeks a low-cost, nonsurgical method to sterilize large populations of cats and dogs and reduce the number of homeless and unwanted animals that are killed each year in shelters.

Kent Van Kampen of Vaxin and Henry Baker and Nancy Cox of Auburn University are the lead investigators of the grant project. "This is an extremely exciting opportunity for Vaxin to use its platform technology developed for human vaccines to address a significant problem in animals," said Van Kampen

According to Found Animals Foundation, 6 million to 8 million cats and dogs enter U.S. shelters each year, and about half are euthanized. While animal sterilization has long been recognized as an integral solution to the problem of overpopulation, standard surgical techniques of spaying and neutering have obstacles such as high costs and the need for trained veterinary surgeons and appropriate facilities. A single dose, non-surgical sterilant that could be administered in the field at a reasonable cost would be an ideal solution, and would save lives and end suffering for millions of companion animals throughout the world.

"For a decade scientists at the Scott-Ritchey Research Center and Vaxin have collaborated in the design and testing of dog and cat contraceptive vaccines. The goal is to create a vaccine which will induce long-term sterility and block breeding behavior in both male and female dogs and cats after administration of a single dose," said Henry Baker.

About Found Animals Foundation and the $25 Million *Michelson Prize*

Found Animals Foundation is a privately funded Los Angeles based non-profit organization dedicated to animal welfare issues and led by business and medical professionals. In October 2008, the foundation announced the $25 million *Michelson Prize* to be awarded to the first group to develop a single dose, safe and effective, non-surgical sterilant for male and female cats and dogs. Additionally, Found Animals has put up $50 million in *Michelson Grants* to fund scientists to develop this product. The organization has received 160 letters of intent for the Michelson Grants, 15 of which have been approved for funding, totaling $6 million in grants to date.

By offering the $75 Million *Michelson Prize & Grants in Reproductive Biology*, Found Animals encourages researchers from a variety of scientific disciplines to take on the challenge of non-surgical sterilization for dogs and cats. By incentivizing scientists who may have been unaware of the issue of pet overpopulation to get involved, Found Animals hopes an innovative solution will come to light quickly.

About Vaxin:

Vaxin Inc. is a clinical stage biotechnology company, founded in December 1997 with facilities in Gaithersburg, MD and Birmingham, AL, developing next generation vaccines to address significant public health and biodefense needs. Vaxin is focused on vaccines designed to protect people against influenza and anthrax infection using proprietary, patented technologies for intranasal delivery, and is also developing unique *in ovo* vaccines for preventing influenza outbreaks in poultry populations. Vaxin's vaccines are designed to provide a safe, effective, easily administered, rapidly manufactured, and cost-competitive alternative to currently marketed products. Vaxin's intranasally delivered, adenovirus-based vaccines have successfully completed pre-clinical development, Investigational New Drug (IND) review and Phase 1 clinical studies of NasoVAX for seasonal and pre-pandemic influenza indications, demonstrating both proof-of-concept in man and providing an initial safety assessment of the technology platform. The intranasal seasonal influenza vaccine induced a positive immune response (seroconversion) in 83% of patients, while the pre-pandemic influenza vaccine also shows promising signs of immunogenicity in a dose dependent manner. Phase 1 study reports indicate that both were safe and well tolerated. The proposed vectored anthrax vaccine product, AdVAV, is identical in route of administration, structure and manufacturing to these influenza candidates with the exception of the encoded antigen (*Bacillus anthracis* PA rather than *influenza virus* HA). It is expected that a nasal anthrax vaccine would greatly boost vaccine coverage against a bioterrorist attack during a crisis, and significantly reduce adverse side effects when compared to those induced by systemically-delivered anthrax vaccines. Vaxin recently received a multi-million dollar BARDA contract to advance this vaccine through Phase 1 clinical studies should the contract option be exercised.

About the Scott-Ritchey Research Center

Scientists at the Scott-Richey Research Center at the Auburn University College of Veterinary Medicine conduct cutting-edge research to improve the health of dogs and cats. Center scientists are utilizing state-of-the-art techniques to develop injectable (for use in multiple

species) and oral (species-specific) vectored vaccine preparations that induce immune responses to interfere with fertility of both male and female animals. It is hoped when these products become available and used widely, the number of unwanted dogs and cats that are euthanatized each year will be reduced dramatically with a concurrent reduction of diseases that affect pet populations and, in some cases, human health.

Forward-looking statements:

This press release contains forward-looking statements subject to risks and uncertainties that could cause actual results to differ materially from those projected. These forward-looking statements represent the company's judgment as of the date of this release. The company disclaims, however, any intent or obligation to update these forward-looking statements.

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