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PRESS RELEASE

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**STUDY IN THE JOURNAL *VACCINE* REPORTS
POSITIVE RESULTS OF DNA-BASED FLU VACCINE IN HUMANS**

Oxford, UK and Frederick, MD – May 31, 2006 – PowderMed, Ltd. today announced the publication of positive results from a Phase I study evaluating its proprietary prophylactic DNA influenza vaccine in the latest issue (volume 24, issue 21) of the journal *VACCINE*. Based on these results, PowderMed will start phase II studies using both annual and bird flu strains later this year.

Authored by lead researcher Dr. Hansi Dean, the report in *VACCINE* documents the safety and immunogenicity of PowderMed's monovalent influenza DNA vaccine delivered with the company's Particle Medicated Epidermal Delivery (PMED) needle-free injection system. The trial examined three doses of a DNA plasmid encoding the H3 haemagglutinin (HA) gene for Panama flu (1, 2 and 4 micrograms) administered as a single dose to 36 healthy adult volunteers. Immune response was assessed according to criteria set by the Committee for Proprietary Medicinal Products (CPMP) for the approval of annual flu vaccines in the European Union. Key findings include:

- At the maximum dose tested (4 micrograms), all subjects achieved a seroprotective level of antibodies demonstrating that this DNA vaccine is a viable candidate for expanded clinical evaluation as a potentially powerful defense against influenza and pandemic flu.
- The maximum dose (4 micrograms) passed the CPMP criteria at 21 days and was well tolerated. All three doses passed the CPMP criteria at 56 days.

“Recent years have seen a number of new influenza vaccine approaches tested in animal model systems and in the clinic. However, this study is the first successful demonstration of immunogenicity of an influenza DNA vaccine in humans,” said Dr. Hansi Dean, now with the International AIDS Vaccine Initiative. “The relative immunogenicity of PowderMed’s DNA vaccine compared to intramuscular DNA vaccination is likely attributable to the efficiency of intracellular DNA delivery by PMED.”

“The publication of this study in the prestigious journal *VACCINE* adds to the growing body of scientific evidence that PowderMed’s DNA vaccine and the PMED platform show promise to address the major healthcare challenge posed by influenza, particularly in the event of an avian flu or other pandemic outbreak,” said Dr. Clive Dix, CEO of PowderMed. “DNA vaccines have the potential to significantly limit the burden of disease. The advantage of a DNA-based approach is that the vaccines can be manufactured very rapidly and in large quantities, while yielding an efficacious immune response at low doses.”

VACCINE is the pre-eminent journal for those interested in vaccines and vaccination. It serves as an interface between academics, those in research and development, and workers in the field. Relevant topics range from basic research through to applications, safety and legislation.

About PowderMed

PowderMed (<http://www.powdermed.com/>) is a private immunotherapeutic company based in Oxford, UK. The Company is focused on the clinical development and manufacture of therapeutic and prophylactic DNA-based vaccines for viral diseases and cancer. The company has 4 clinical and 3 pre-clinical stage projects. The lead clinical programme has shown positive Phase I results in the treatment and prevention of human influenza. This technology is uniquely and easily adaptable to treat avian flu and to address the pandemic threat. PowderMed also has a product for the treatment of genital herpes in Phase I trials, and two partnered Phase I programmes in Cancer (Ludwig Institute) and HIV/AIDS (Glaxo SmithKline). PowderMed vaccines are delivered using PMEDTM (Particle mediated epidermal delivery), a needle-free, virtually painless delivery system that requires minimal medical training, allows self-administration and requires no refrigeration for stockpiling. Specifically, PowderMed's technology delivers DNA to the epidermal layer of the skin where it is presented to the cells of the immune network, thereby creating immunity and thus facilitating both treatment and prevention of disease.

The Company has a highly experienced management team that has a combined 160 years of experience, with Rolf Stahel as the chair of the board. The Company has sufficient funds through to the end of 2006 having raised £20 million in venture financing to date, with an additional £5 million available from its existing investor syndicate that comprises Abingworth Management, Advent Venture Partners, Isis College Fund, Oxford Bioscience Partners and SV Life Sciences.

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