

Press Release Details

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 2006 Influenza Vaccine Development Alliance

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NOVAVAX and Bharat Biotech Announce a Pandemic Influenza Vaccine Development Alliance

HYDERABAD, INDIA & MALVERN, PA., March 6, 2006 – Novavax, Inc. (NASDAQ: NVAX) and Bharat Biotech International, today announced a strategic alliance to pursue the rapid development of pandemic influenza vaccine for India and other ASEAN markets. Under the terms of the Agreement, Bharat Biotech will fund all preclinical and clinical development, work with Novavax on optimal manufacturing processes, and be responsible for the commercialization of the vaccine. In return Novavax will receive unrestricted access to all preclinical and clinical data, and a royalty on all sales.

Cases of Avian Influenza (Bird Flu) in poultry have been occurring throughout the world sporadically, prompting the World Health Organization to call Avian Flu the Greatest concern to Human Health. There are 16 HA (haemagglutinin) and 9 NA (neuraminidase) subtypes of influenza viruses which are known to infect poultry, this gives a significant pool of influenza viruses that are perpetually circulating in bird populations. A combination of these subtypes could begin infecting human populations. The H5N1 subtype has already shown to infect humans and cause deaths.

Novavax's Virus Like Particle Technology uses recombinant protein technology to imitate the structure of a virus to provide protection without the risk of infection or disease. Virion proteins can self-assemble into virus-like particles (VLPs) when over-expressed in certain cells. Novavax's proprietary VLP technology produces safe and effective vaccine products through an aseptic process that reduces contamination risk and produces high, cost-effective yields. A key advantage of the technology is the ability to rapidly respond to emerging threats or new strains.

Dr. M.K. Bhan, Secretary, Department of Biotechnology, Govt. of India said, "This is an important agreement between Novavax, Inc. and Bharat Biotech to produce a vaccine for pandemic influenza with a more effective and rapidly adaptable technology, important for a virus that changes often. It brings to India, advanced vaccine platforms that are truly able to respond rapidly to emerging strains of avian influenza viruses. The Department of Biotechnology, Govt. of India will provide enabling support for smooth progress of this important project against a disease with serious economic and health consequences".

Dr. Rahul Singhvi, President and CEO of Novavax said, "We are delighted that Bharat Biotech has chosen Novavax Virus Like Particles (VLP) and Novasome technologies to develop, produce, and distribute a vaccine against H5N1 and other strains of avian influenza for the Indian population. Bharat Biotech has established itself as a leader in adopting innovative vaccine technologies as evidenced by their collaborations with Wyeth and Acambis. We believe that by leveraging the clinical, process and manufacturing capabilities of Bharat, we will expedite the development and regulatory approval of our VLP-based avian flu vaccines around the world".

Dr. Krishna M. Ella, Chairman and Managing Director of Bharat Biotech International Ltd, said "We are extremely pleased to announce this novel partnership between Novavax and Bharat, with the guidance and support of the Department of Biotechnology, Govt of India. This partnership would help India develop a highly efficacious vaccine against pandemic flu and stand at the forefront in developing a prophylaxis against this much dreaded pandemic. In selecting Novavax and their VLP technology, Bharat Biotech would be making in a modest way its contribution to the cause of Public Health in India and the Developing World. Such a pandemic could have a devastating impact on the

economies of countries and could severely curtail international commerce”.

This alliance will be overseen by a steering committee chaired by Dr. Richard Klausner, eminent scientist and Former Executive Director of the Bill and Melinda Gates Foundation and Former Director of the US National Cancer Institute. Dr. Klausner is a special advisor to the Government of India and to Novavax, Inc. Commenting on this agreement, Dr. Klausner said “I am heartened by this partnership between Novavax and BBIL. I have had a chance to work with both these organizations and I know the principals in both firms well. These firms are serious in their commitment and are uniquely suited to develop a vaccine against pandemic influenza. I am confident that by combining their mutual capabilities and by working closely with the Department of Biotechnology, Govt. of India, they will be more effective in arriving at a solution for the good of public health worldwide”.

About Novavax, Inc. Novavax is focused on creating differentiated, value-added pharmaceutical and vaccine products and technologies. The company’s technology platforms include the virus-like particle (VLP) manufacturing technology utilizing the baculovirus expression system in insect cells, as well as novel vaccine adjuvants based on Novasomes and dendrimer technologies. The company is developing vaccine against the H5N1 strain of avian influenza virus and the human seasonal influenza virus using its VLP and Novasome technologies. Novavax's drug delivery technologies include the micellar nanoparticle (MNP) technology which is the basis for the development of its first FDA-approved product, ESTRASORB. In addition to MNP, Novavax drug delivery technologies include Novasomes® (paucillamellar non-phospholipid vesicles) and Sterisomes® (subcutaneous depot injection). The company has several products utilizing the MNP technology in various stages of development.

About Bharat Biotech International Inc. Bharat Biotech International Limited, Hyderabad, India, is a multidimensional biotechnology company specializing in product-oriented research, development and manufacturing of vaccines and biotherapeutics. Bharat, established in the year 1996 by Dr. Krishna M. Ella & Mrs. Suchitra K. Ella as the Founder Directors, is engaged in developing next-generation vaccines and biotherapeutics through innovative and collaborative research. Bharat’s state-of-the-art manufacturing plant is the largest of its kind in Asia-Pacific. The first bio-pharma facility in the country to be audited and approved by Korean Food & Drugs Administration (KFDA), it sprawls over a picturesque campus at Genome Valley, Hyderabad. Built with an investment of over INR 1000 million, the facility’s Manufacturing, Control Procedures and Protocols, conform to the stringent standards laid down by internationally recognized institutions such as USFDA, UKMCA and WHO. Bharat has set new benchmarks in Innovation and Quality that epitomizes the tremendous progress of Indian biotechnology in the global arena.

Forward Looking Statements Statements made in this press release that state Novavax's or management's intentions, hopes, beliefs, expectations, or predictions of the future are forward-looking statements. Forward-looking statements include but are not limited to statements regarding usage of cash, product sales, future product development and related clinical trials and future research and development, including FDA approval. Novavax’s actual results could differ materially from those expressed in such forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company, or industry results, to be materially different from those expressed or implied by such forward-looking statements. Such factors include, among other things, the following: general economic and business conditions; ability to enter into future collaborations with industry partners, competition; unexpected changes in technologies and technological advances; ability to obtain rights to technology; ability to obtain and enforce patents; ability to commercialize and manufacture products; ability to establish and maintain commercial-scale manufacturing capabilities; results of clinical studies; progress of research and development

activities; business abilities and judgment of personnel; availability of qualified personnel; changes in, or failure to comply with, governmental regulations; the ability to obtain adequate financing in the future through product licensing, co-promotional arrangements, public or private equity financing or otherwise; and other factors referenced herein. Additional information is contained in Novavax's annual report on Form 10K for the year ended December 31, 2004 and quarterly reports on Form 10Q for the quarters ended March 31, 2005 and June 30, 2005 and September 30, 2005 incorporated herein by reference. Statements made herein should be read in conjunction with Novavax's annual and quarterly reports filed with the SEC. Copies of these filings may be obtained by contacting Novavax at 508 Lapp Road, Malvern, PA 19355 Tel 484-913-1200 or the SEC at www.sec.gov.

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