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**CONTACT:** Michele Parisi  
925/429-1850

**VAXART AWARDED NIH GRANT TO SUPPORT DEVELOPMENT OF ORALLY-  
DELIVERED H5N1 AVIAN INFLUENZA VACCINE**

**SAN FRANCISCO, CA, September 08, 2009** -- Vaxart, Inc., a San Francisco biotechnology company developing oral-delivery vaccines, has been awarded a \$2.8 million phase II Small Business Innovation Research grant from the National Institute of Allergy and Infectious Disease (National Institutes of Health) to support development of its first product, an orally-delivered vaccine for H5N1 Avian influenza.

“We thank the NIH for funding the further safety and efficacy tests, which, along with our previous successful animal studies, will pave the way towards clinical trials,” said Principal Investigator Sean Tucker, Ph.D. The grant runs for a period of three years.

Vaxart has developed a proprietary approach to vaccine creation that, the company believes, will enable it to produce a portfolio of oral-delivery vaccines easily and quickly.

Central to Vaxart's approach is its unique adjuvant, the vaccine component that enhances immune responses. Vaxart uses an adjuvant that works through a "toll-like receptor" (TLR). TLR agents have been widely applied in vaccines and are well accepted as effective immune stimulators. Vaxart's approach employs TLR3 – the only TLR known to be fully active in the gastrointestinal tract – to stimulate a potent immune response when the vaccine is given in a pill instead of being injected.

The second advantage of the Vaxart approach is the ability to use the same vector, or delivery vehicle, across all vaccines. Usually, each vaccine requires a different vehicle, because people who have been vaccinated build antibodies against the vehicle. Later vaccinations using the same vehicle are less effective, as the body attacks the vehicle instead of the disease target. Vaxart has overcome this obstacle and has demonstrated strong immune responses against multiple targets following a series of oral vaccines. Vaxart believes it will be able to produce new vaccines through a standardized low-cost process, with low regulatory risk because data from one vaccine will help establish the safety of others.

**The Vaxart Avian Flu Vaccine Program**

The recent emergence of pandemic H1N1 flu has underlined the importance of being prepared for pandemic illnesses. Avian flu is an ideal first test for Vaxart's technology, due to its capability to quickly protect people against new threats. In studies completed in 2008, the vaccine successfully protected large animals against death from Avian flu infection.

**About Vaxart**

Vaxart is a San Francisco biotechnology company developing oral-delivery vaccines. The vaccines incorporate a proprietary adjuvant, which boosts the immune response, enabling a vaccine to be effective when swallowed in a pill or capsule. Moving forward, Vaxart intends to develop next-generation, oral alternatives to existing vaccines with proven market potential. For more information, visit [www.vaxart.com](http://www.vaxart.com)

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