ActivBiotics Sells Proprietary Assets, Including Drug Product Candidates

LEXINGTON, Mass., Dec. 18 /PRNewswire/ -- ActivBiotics, Inc. today announced that following a review of strategic options after its clinical trial of Rifalazil failed in peripheral arterial disease patients, the Company is selling all or substantially all of its assets on an "as is" basis through an Assignment for the Benefit of Creditors, process. The Assignee of the assets is Mr. Joseph Finn, Jr., CPA (see contact details below). The bidding for the assets, which may be purchased separately or in combination, will begin today and end on February 1, 2008. Any person interested in purchasing the assets or learning more about the bidding process should contact the Assignee, Mr. Joseph Finn, Jr.

"The Board of Directors has decided to pursue the sale of the company's clinical and preclinical drug assets," said Steven C. Gilman, Ph.D., Chairman of ActivBiotics. "We believe that our anti-inflammatory Phase II drug candidate and our antibacterial library of compounds are of significant value to companies in those therapeutic areas," added Gilman. Bidding packages have been assembled and are ready to be distributed subject to a potential purchaser entering into a standard form confidentiality agreement.

The Company assets available for sale include:

1. A superoxide dismutase (SOD) mimetic program consisting of two clinical-stage drug candidates, M40403 and M40419, and a library of 250 small molecules which have potential as novel therapeutic agents for the treatment of inflammatory diseases. M40403, which has been studied in approximately 700 patients/subjects, has an active IND, and a protocol on file with the FDA under which a Phase II clinical trial for the treatment of post-operative ileus can be conducted, and a protocol to initiate a Phase II clinical trial for the treatment of oral mucositis. The Company has submitted and expects to shortly receive Orphan Drug Designation status in Europe and has an Orphan Drug application pending with the US FDA for the treatment of oral mucositis in subjects with advanced head and neck cancer. In addition to these indications, the SOD mimetics have potential therapeutic uses in a variety of inflammatory disorders including asthma, chronic obstructive pulmonary disease, and radiation protection, stroke, and ischemia reperfusion injury.

2. An antibacterial library of compounds consisting of approximately 800 small molecules, all new chemical entities (NCEs), which may be developed for the treatment of serious bacterial infections, including complicated skin and skin structure infections, endocarditis, osteomyelitis, foreign-body infections, Clostridium difficile-associated diarrhea (CDAD), as well as peptic ulcer disease due to Helicobacter pylori, and disease due to Chlamydia infections. In addition, these NCEs have the potential to be administered as topical agents for the treatment of acne and for the eradication of Staphylococcus aureus in nasal passages.

3. Rifalazil, a clinical stage compound which has been tested in approximately 600 patients, is a potent antibacterial agent with activity mainly against pathogenic Gram-positive bacteria. Rifalazil was found efficacious in a Phase II Chlamydia STD clinical trial, and, separately, a protocol has been submitted to the FDA to begin a Phase II clinical trial in carotid artery atherosclerosis. Rifalazil has been granted Fast Track designation for the treatment of CDAD. The Company has open INDs to continue rifalazil development for infectious diseases, and atherosclerosis-related disease.

Request for Further Information

Interested parties can obtain a bidder's package by contacting Joseph F. Finn, Jr., CPA (jffinnjr@earthlink.net, phone 781-237-8840), Finn, Warnke & Gayton, 167 Worcester Street, Suite 201, Wellesley Hills, MA 02481-3613. The package is intended to provide prospective purchasers with information concerning the Company's Sale of Assets and conveyancing documents. For technical information or questions regarding the products all such inquiries shall be directed to Christo Shalish, cshalish@activbiotics.com, and/or Glenn Kazo, gkazo@activbiotics.com.

Safe Harbor Statement

This press release may contain or incorporate by reference certain statements that are not historical facts, including statements preceded by, followed by or that include the words "may," "believes," "will", "expects," "anticipates" or the negation thereof, or similar expressions, which constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 (the "Reform Act"). All statements that

address events, transactions or developments that are expected or anticipated to occur in the future are forward-looking statements within the meaning of the Reform Act. Such forward-looking statements involve risks, uncertainties and other factors that may cause the actual performance or achievements of ActivBiotics, Inc. to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. For those statements, ActivBiotics, Inc. claims the protection of the safe harbor for forward-looking statements contained in the Reform Act. ActivBiotics, Inc. will not undertake and specifically declines any obligation to publicly release the result of any revisions that may be made to any forward-looking statements to reflect events or circumstances after the date of such statements or to reflect the occurrence of anticipated or unanticipated events.

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