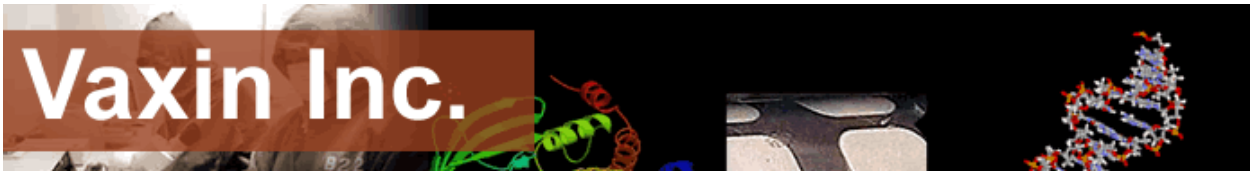

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VAXIN RECEIVES $100,000 GRANT FOR DEVELOPMENT OF ACNE VACCINE

NIH Award to Fund Vaxin Collaboration with University of California, San Diego

Birmingham, Alabama – September 18, 2008 – Vaxin Inc., an emerging vaccine company, in collaboration with The University of California, San Diego School of Medicine (UCSDSM) and the Veteran's Medical Research Foundation (VMRF), has been awarded a $100,000 competitive grant by the National Institutes of Health (NIH) to support development of a novel vaccine against Propionibacterium acnes (*P. acnes*), a leading cause of common acne.

This is the second NIH grant awarded this month related to Vaxin's novel non-invasive vaccine technology.

"The grant process is very competitive, and NIH's choice of Vaxin to move this work forward further validates our technology platform and our expertise," said Bill Enright, Chief Executive Officer of Vaxin. "Receipt of this Small Business Technology Transfer Research (STTR) grant will be a catalyst to develop new vaccines that can improve patient outcomes in this large, but poorly served market."

Principal investigator of the grant, Dr. Eric Huang, of UCSDSM and VMRF said: "Although acne is the most common skin disease, current acne therapies are inadequate and, in many cases, may cause unwanted side effects including hormone imbalance, depression and alteration of skin microflora. This grant will fund our continued research into the development of systemically effective acne vaccines that can suppress acne-induced skin inflammation without disturbing the natural balance of skin flora."

Findings from this research will be used to advance the vaccine into Phase 1 human clinical trials.

P. acnes is an anaerobic bacterium and normal resident of the skin, that has been identified as a major cause of acne vulgaris (common acne). Overproliferation of *P. acnes* can result in inflammation of the skin pore and, ultimately, an acne lesion. The research being conducted by Dr. Huang at UCSDSM/VMRF and scientists at Vaxin is focused on suppressing *P. acnes*-induced inflammation, minimizing the risk of changing the hemostatis of resident skin microbes and thus avoiding the formation of acne lesions.

About Acne

Affecting over 80% of the population, acne is a skin condition resulting from plugged pores and characterized by lesions on the face, neck, back, chest and shoulders. The underlying cause of plugged pores that result in acne is an interaction of hormones and other substances, including Propionibacterium acnes (*P. acnes*), on the skin's oil glands and hair follicles. While the condition is not typically a serious health threat, in the most severe cases, acne can lead to severe and permanent scarring.

About Vaxin:

Vaxin Inc. is an emerging vaccine company with a lead in the development of needle-free, single dose highly effective vaccines. These molecular vaccines are safely administered either in the nose or on the skin, taking the battle against diseases to the immune system's front lines where the diseases are attacking, rather than injecting the vaccine inside the body where the body's immune response is actually weaker. This also allows Vaxin's vaccines to be mass administered by personnel without sophisticated medical training.

As a vaccine delayed may be a vaccine denied, it is crucial to produce vaccines in a timely manner, especially in the event of a pandemic or bioterrorist attack. The company's technology platform also provides a critical tool for the rapid production of vaccines against influenza, avian influenza, anthrax, and Alzheimer's disease utilizing molecular techniques and state of the art cell culture based manufacturing. Vaxin's vaccines are not dependent on chicken eggs and can therefore be more reliably produced even in the event of avian epidemics.

Vaxin's unique technology was developed by Dr. De-chu C. Tang, Vaxin's scientific founder and Vice President of Research. Unlike current vaccines, which typically use a weakened form of the targeted disease, such as the influenza virus, Vaxin's molecular vaccines are created by inserting only a piece of the influenza virus, the antigen, into a benign delivery vehicle. This "Trojan Horse" method increases the safety of the vaccine and virtually eliminates the risk of a vaccine reverting to a disease causing agent. Needle-free, non-replicating, single-dose molecular vaccines also have many other advantages. Patients clearly prefer vaccines which are not injected because there is no fear of needles or the pain they can cause.

Vaxin's technology also has applications for animal health uses. Automated *in ovo* (in the egg) vaccination is the method of choice for the mass immunization of poultry because of the ease of administration and lower costs. Unlike most technologies that have been tried, Vaxin's technology provides the ability to administer a protective vaccine *in ovo* without harming the embryo.

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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