AEROVECTRX CORPORATION

NEWS RELEASE

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AerovectRx Corp. Announces CDC Contract to Develop New Intranasal Flu Vaccine Delivery Platform

Microscopic mist improves resistance to disease; eliminates painful shots

ATLANTA (November 1, 2006) – AerovectRx Corporation, developer of new pain-free, respiratory drug delivery technology, announced that its proprietary technology is to be included as part of a multi-party $750,000 contract from the U.S. Centers for Disease Control and Prevention (CDC) to develop a new intranasal vaccine delivery platform for influenza.

The objective of the contract is to develop a device and associated disposables to deliver vaccines more efficiently and effectively, while eliminating the pain and hazardous medical waste created by injections. The technology is designed to be used in routine settings like doctors' offices and pharmacies and mass immunization efforts in places such as schools, hospitals and public health departments.

The new technology is designed to deliver vaccines intranasally in a comfortable microscopic mist featuring much finer droplets than conventional nasal sprays. It utilizes a vibrating mesh nebulizer with a disposable mesh and medication cartridge. Although the intranasal flu vaccine is an experimental application, the AerovectRx platform technology has received clearance to market (510k) from the U.S. Food and Drug Administration (FDA) for general nebulizer use.

Intranasal delivery of influenza vaccine may provide better protection from disease because it immunizes the mucosa, or the lining of the upper respiratory tract, in addition to the body's systemic immune system - potentially providing a double layer of protection from the flu. Studies have shown that nasal influenza vaccines can protect against a range of influenza virus strains and reduce the spread of the virus from person to person, thereby lowering the risk of a pandemic.

"In addition to influenza immunization, we believe that there are many more immunological and therapeutic applications of our delivery platform including biodefense readiness and treatment of chronic diseases," said Matthew H.J. Kim, J.D., founder and CEO of AerovectRx. "Additional vaccine applications could include smallpox, measles and AIDS, while therapy applications could include treatment for chronic diseases such as asthma and diabetes."

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Creare Inc. is the prime contractor for the Small Business Innovation Research (SBIR) Phase I contract and will develop the intranasal vaccine device and associated disposables. AerovectRx will develop, or jointly develop, the products.

Respiratory drug delivery offers significant improvements in the administration of certain drugs and vaccines, and in some instances, provides new therapeutic options for the treatment and prevention of disease. Respiratory drugs are rapidly delivered to the mucosa for immunization or treatment of upper airway conditions or to the lung for treatment of respiratory diseases. Drugs inhaled into the lungs go quickly into the bloodstream for treatment of systemic diseases, like diabetes. The annual market for respiratory drug delivery is estimated at $12 billion.

About AerovectRx --

AerovectRx Corporation is an aerosol therapeutic company providing effective and dosage-controlled drug delivery using the respiratory system as the gateway for better health. Products under development by AerovectRx are designed to deliver a wide variety of therapies through multiple-use mass immunization as well as personal-use nebulizers. Potential targeted therapeutic candidates for the AerovectRx technology include treatments for asthma, cystic fibrosis, pulmonary hypertension, chronic obstructive pulmonary disease (COPD), diabetes, pain management, and for delivery of vaccines and anti-viral drugs. For more information, visit www.aerovectrx.com.

About Creare –

Founded in 1961, Creare, Inc. provides contract engineering research and development services in fields ranging from biomedical to energy to aerospace. Its services include applied research, technology and prototype development, testing, and computer simulation and modeling. Creare technologies and products are commercialized via licensing and the formation of spin-off firms and new ventures. For more information, visit www.creare.com.

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