



For Immediate Release

CHIMERIX REAFFIRMS ITS COMMITMENT TO CMX001 AS A MEDICAL COUNTERMEASURE FOR SMALLPOX AND BROAD-SPECTRUM ANTIVIRAL AGENT

Small Business Administration Rules that SIGA Technologies is Not a Small Business, Rendering It Ineligible for BARDA Contract

RESEARCH TRIANGLE PARK, NC, November 7, 2010 - Chimerix, Inc., a pharmaceutical company developing orally-available antiviral therapeutics, today reaffirmed its commitment to the dual development of CMX001 as a medical countermeasure against smallpox and as a broad-spectrum antiviral agent. This statement follows notification from the Small Business Administration (SBA) that it has determined that SIGA Technologies, Inc. is not a small business, thus rendering SIGA ineligible for award of a government contract from the Biomedical Advanced Research and Development Authority (BARDA) that was designated as a small business set-aside.

"Chimerix is deeply committed to developing and advancing safe, effective medicines that benefit public health. We support the efforts of the Department of Health and Human Services to ensure that the government's requirement for smallpox therapeutics is met expeditiously and in accordance with Federal Acquisition Regulations," stated Kenneth I. Moch, President and Chief Executive Officer of Chimerix.

"The most important advancement we have made in the clinical and preclinical development of our lead antiviral candidate, CMX001, is to establish its profile as a broad-spectrum therapeutic with the potential to treat a number of fatal diseases. Our clinical experience with patients to date keeps us extremely motivated to see its development through registration and approval. Combined with its potential to address the smallpox threat, we feel CMX001 is well positioned to address the broadest definition of unmet medical need," said Wendy Painter, M.D., M.P.H., Chief Medical Officer of Chimerix.

CMX001 – An Antiviral with Broad-Spectrum Activity

CMX001 is in advanced development as a medical countermeasure for the treatment of smallpox. CMX001 has demonstrated protection from mortality in animal models of human smallpox disease in multiple preclinical studies. Administration of a single dose of CMX001 in relevant animal models of lethal smallpox infections after the development of lesions has shown evidence of preventing death. Smallpox is a double-stranded DNA (dsDNA) virus, as are herpesviruses, papillomaviruses, and polyomaviruses that commonly infect humans.

Beyond its potential use as a medical countermeasure, CMX001 is in Phase 2 human clinical studies in immunocompromised transplant and cancer patients for the treatment of life-threatening viruses. Over 300 people have received CMX001 to date. In Chimerix's ongoing placebo-controlled clinical trial programs to evaluate the compound's safety and efficacy, CMX001 has been administered to more than 200 people, including healthy volunteers and patients. In addition, CMX001 has been administered to more than 100 patients under investigator-held Emergency Investigational New Drug applications (EINDs) for the treatment of

a wide range of life-threatening infections caused by dsDNA viruses for which there are either no approved treatments or where patients have failed the available treatment. To date, CMX001 has been used to treat patients with dsDNA viral infections caused by cytomegalovirus, vaccinia virus, herpesviruses (including herpes simplex virus, Epstein-Barr virus and HHV-6,) human papillomaviruses, JC and BK polyomavirus, and adenovirus. Demonstration of activity and safety in human disease is likely to play an important role in the evaluation of drug activity and safety for the treatment of smallpox.

CMX001 may be uniquely effective in the treatment of and protection against smallpox among the estimated 80-90 million Americans whose immune systems are compromised, such as those under treatment for cancer and many chronic diseases or people living with HIV.

"We believe that it is critically important to show antiviral activity in immunocompromised populations, as they are extremely vulnerable to a smallpox attack," said Dr. Painter.

RFP-09-35 BARDA Application and Challenge

BARDA issued RFP-BARDA-09-35 as a small business set-aside in accordance with Federal Acquisition Regulations (FAR) in March 2009 and affirmed that decision in an amendment issued in January 2010. In May 2009, Chimerix submitted an application for RFP-BARDA-09-35 for the development and manufacture of its product candidate, CMX001, as a medical countermeasure for the treatment of smallpox.

Chimerix was notified by BARDA that the company was in the Competitive Range for the procurement in June 2009. At that time, Chimerix notified BARDA of its concerns that SIGA exceeded the size standard for this procurement. BARDA, through the SBA, alerted SIGA that its size status was in question on July 14, 2009. However, under the FAR, BARDA had to rely on SIGA's self certification until the end of the procurement when a size determination can be, and was, requested by BARDA from the SBA. On October 8, 2010, Chimerix renewed its concerns regarding SIGA's small business status with BARDA in accordance with Federal Acquisition Regulations. BARDA formally requested a size determination for SIGA from the SBA on October 11, 2010.

The Small Business Administration ruled that SIGA does not qualify as a small business under SBA regulations and therefore is ineligible for an award from BARDA under RFP-BARDA-09-35. The SBA ruling that SIGA is not considered a small business, in accordance with the Small Business Act, was based on the SBA's determination that SIGA is affiliated with MacAndrews & Forbes Holdings, Inc., a large New York-based private holding company with a controlling interest in SIGA.

"We believe it important that small businesses be able to compete on an equal footing for government contracts designated as set-asides. We have made every effort to work closely with BARDA to ensure this procurement was conducted both expeditiously and within the parameters of the law," said Mr. Moch. "We look forward to continuing our positive interactions with BARDA to help meet the critical need for smallpox therapeutics through the further development of CMX001."

The Small Business Set-Aside Program

Ensuring the integrity of the small business set-aside program has been a top priority for President Barack Obama. "I am committed to ensuring that small businesses, including firms owned by women, minorities, socially and economically disadvantaged individuals, and service-disabled veterans, have fair access to Federal Government contracting," President Obama

wrote in an April 26, 2010 presidential memoranda supporting an Executive Order directed at ensuring set-asides go, as intended, to small businesses. "While Chief Acquisition Officers and Senior Procurement Executives have many priorities, small business contracting should always be a high priority in the procurement process."¹

About Chimerix

Chimerix is developing novel antiviral therapeutics with the potential to transform patient care in multiple settings, including transplant, oncology, acute care and global health.

The company's lead candidate, CMX001, is in Phase 2 clinical studies in immunocompromised transplant and cancer patients for the treatment of life-threatening viruses, including cytomegalovirus and adenovirus. CMX001 has also been provided to more than 100 patients under investigator-held Emergency Investigational New Drug applications (EINDs) or foreign equivalent at more than 45 leading medical centers in the US, Canada and Europe for the treatment of a wide range of life-threatening infections caused by double-stranded DNA viruses for which there are either no FDA-approved treatments or where patients have failed the available treatment. CMX001 is also being developed as a medical countermeasure in the event of a smallpox release. Chimerix has received significant funding from the National Institutes of Allergy and Infectious Disease to develop CMX001 for smallpox.

Chimerix's second clinical-stage antiviral compound, CMX157, has completed Phase 1 clinical studies. CMX157 is in development as a potent nucleoside analogue against multi-drug resistant HIV infections.

Led by a world-class antiviral drug development team, Chimerix is also leveraging the company's extensive chemical library to pursue new treatments for hepatitis C virus, malaria and other global public health needs. For additional information on Chimerix, please visit <http://www.chimerix.com>.

¹ Source: April 26, 2010 - MEMORANDUM FOR THE HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES (www.whitehouse.gov)

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