

**PROTEIN SCIENCES ANNOUNCES TERMINATION OF DEAL TO SELL
TO EMERGENT BIOSOLUTIONS****For Immediate Release**

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- *PSC terminates sale due to Emergent's breaches*
- *PSC BLA for FluBlok remains on track with the FDA*
- *PSC awaiting decision on BARDA contract award*

Meriden, CT – Tuesday, July 29, 2008. Protein Sciences Corporation ("PSC") announced today that the sale of its business under an Asset Purchase Agreement between PSC and Emergent BioSolutions, Inc. (NYSE: EBS) and its affiliate (collectively "Emergent") has been terminated by PSC due to breaches by Emergent. PSC cited multiple breaches by Emergent including disclosure and mischaracterization of PSC's material confidential information obtained from PSC during due diligence and Emergent's failure to fulfill its obligation to provide adequate funding to PSC.

Daniel D. Adams, President and CEO said, "Emergent's blatant disregard for its contractual commitments is shocking. They continue to try to damage PSC with inappropriate and unauthorized contact to our customers and collaborators and appear to have launched an effort to disrupt the approval process for our BLA for FluBlok®. Fortunately, we have loyal customers, collaborators and shareholders that remain very supportive of PSC and our management team."

In other developments, PSC announced that the FDA's inspection of PSC's facility and operations in connection with its Biologics License Application (BLA) for FluBlok was completed in mid-July. Manon Cox, PSC's Chief Operating Officer, noted "We were well prepared for the FDA inspection of our manufacturing facility and are satisfied with the nature of the preliminary comments that we received from the FDA. We remain on track for a decision on our BLA by mid-October, 2008 under the FDA's accelerated approval pathway." PSC also announced that it reached an important milestone related to FluBlok when it successfully produced the vaccine necessary to combat each of the three strains that will make up the influenza vaccine for the 2008-2009 flu season.

PSC also announced that it submitted a proposal for federal funding for a contract to develop recombinant seasonal and pandemic influenza vaccines from the Department of Health and Human Services (BARDA). Negotiations over the contract have been ongoing and a decision may be reached by BARDA within the next few weeks. PSC has requested funding for, among other things, additional clinical trials to support pediatric and pandemic formulations of FluBlok; purchase of equipment for large scale manufacturing; and process and manufacturing facility validation as specified in the Request for Proposal issued by BARDA in 2007. If the contract is awarded, PSC expects that the work and funding will be spread over a five-year period.

About PSC. PSC is a privately held biotechnology company that uses proprietary recombinant DNA technology to manufacture human and animal vaccines, therapeutics and diagnostics. Our lead product is a human seasonal flu vaccine – FluBlok®. Our underlying technology is a viable alternative production platform to the egg-based production methods that currently dominate vaccine production and our 2007 revenues were in excess of \$6,000,000, primarily from our GeneXpress and research antigen business.