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NOVAVAX COMMENCES CLINICAL TESTING OF ITS SEASONAL INFLUENZA VLP VACCINE CANDIDATE

Development of influenza VLP vaccines gains momentum with launch of a Phase IIa study of Seasonal Influenza Vaccine

ROCKVILLE, MD (September 16, 2008) – Novavax, Inc. (NASDAQ: NVAX) announced today vaccination of healthy volunteers in a Phase II clinical trial of its virus-like particle (VLP) based seasonal influenza vaccine. The Phase IIa randomized, placebo controlled clinical trial will evaluate the safety and immunogenicity of different doses of its seasonal influenza VLP vaccine. Specifically, the vaccine will be studied in approximately 300 healthy adults between the ages of 18 to 49 years, who will receive a single injection of either a placebo or an influenza vaccine at doses of 5 mcg, 15 mcg or 30 mcg. The goals of the study are to select a dose for evaluation in a subsequent Phase III efficacy study and to continue the evaluation of safety of its novel influenza VLP vaccines.

VLPs are recombinant structures that mimic the size and shape of a virus but lack genetic material and are therefore incapable of replication. Because they resemble actual infectious particles presenting proteins in the same conformation as on the wild-type virus, they are able to induce potent immune responses. Novavax's VLP vaccine may be differentiated from other influenza vaccines in several ways. First, it includes three viral proteins (incorporated in the vaccine as three separate VLPs) important for inducing a broad immune response including two surface proteins, hemmagglutinin ("HA") and neuraminidase ("NA"), and a core matrix protein, M1. In contrast, most seasonal vaccines consist almost entirely of HA with little or no NA and M1. The HA protein induces antibody that neutralizes or blocks the growth of the virus; NA induces antibodies that prevent cell-to-cell transmission of virus down the respiratory tract, potentially reducing the severity of influenza disease; and cell mediated immune responses to M1 may lead to destruction of cells already infected. Further, the vaccine is made in cell culture rather than eggs, which permits an exact genetic match to the flu strains causing illness since there is no requirement for adapting the vaccine to grow in eggs.

"We are delighted to initiate our seasonal influenza vaccine program in Phase II human trials", said Dr. Rahul Singhvi, President and CEO of Novavax. "VLPs are a very promising approach against influenza as we recently demonstrated with the announcement of favorable results in a Phase IIa human clinical trial of our VLP based pandemic influenza vaccine. There are synergies to be gained in the development of our VLP pandemic and seasonal influenza vaccines that provide the Company unique advantages. For example, since both vaccines utilize the same manufacturing approach, safety information from either one of these influenza vaccine programs

would compliment and support the other program which should reduce the overall development timeline for each program.”

Novavax’s novel manufacturing approach

Novavax’s manufacturing process makes it possible to rapidly produce a vaccine that contains strains that are an exact genetic match to the strains circulating in the community causing influenza disease. Novavax’s influenza VLPs are produced through recombinant technology in insect cell culture, utilizing a manufacturing process that will consist entirely of disposable, ready-to-use equipment. Current yields are 7 to 10 times higher than those of traditional egg-based or mammalian cell culture manufacturing. Because the Novavax process involves recombinant technology and does not require a live influenza virus, a matched vaccine for the first seasonal influenza clinical trial was manufactured within 12 weeks of identification of the Centers for Disease Control and Prevention (“CDC”) released seasonal strains, or approximately half the time required to manufacture egg-based vaccines. The ability to rapidly respond to the identification of annual seasonal strains may be important in providing timely vaccine in advance of annual physicals for children before the school year.

Seasonal Influenza

The majority of individuals with influenza recover in less than two weeks; however, some may develop life-threatening complications such as pneumonia. In addition, influenza exacerbates the symptoms of chronic health conditions such as diabetes, asthma and congestive heart failure. The most severe disease occurs in infants and young children and adults older than 65 years of age. The CDC reports that 15 to 60 million people in the U.S. contract influenza each year leading to over 200,000 hospitalizations and 36,000 deaths. The Advisory Committee on Immunization Practices (“ACIP”), which has been expanding recommendations for seasonal influenza vaccination for the last several years, currently recommends seasonal influenza vaccination for children 6 months through 18 years of age, pregnant women, adults over 50 years of age, and individuals of any age with chronic health conditions or who are at high risk of influenza disease. Based on the expanding recommendation of vaccination to new age groups, the growing worldwide population to be vaccinated, and the need of an improved influenza vaccine for the elderly, global market projections of seasonal influenza are estimated to increase from \$2.8 billion in 2007 to \$6.5 billion by 2013.

About Novavax

Novavax, Inc. is a clinical stage biotechnology company, creating novel vaccines to address a broad range of infectious diseases worldwide using advanced proprietary virus-like particle (VLP) technology. The Company produces these VLP based, potent, recombinant vaccines utilizing new, and efficient manufacturing approaches. Additional information about Novavax is available at www.novavax.com and in the Company’s various filings with the Securities and Exchange Commission.

Forward Looking Statement

Statements herein relating to future development results and performance, conditions or strategies and other matters, including expectations regarding product and clinical developments, are forward-looking statements within the meaning of the Private Securities Litigation Reform Act. Novavax cautions that these forward-looking statements are subject to

numerous assumptions, risks and uncertainties, which change over time. Factors that may cause actual results to differ materially from the results discussed in the forward-looking statements or historical experience include risks relating to the early stage of Novavax's product candidates under development; current results may not be predictive of future pandemic results, results of our seasonal influenza vaccine or any other vaccine that we may develop; further testing is required before regulatory approval can be applied for and the FDA may not approve a vaccine even if further trial results are similar to those disclosed previously by the company; uncertainties relating to clinical trials; dependence on the efforts of third parties; competition for clinical resources and patient enrollment from drug candidates in development by other companies with greater resources and visibility; and risks that we may lack the financial resources and access to capital to fund our operations including further clinical trials. Further information on the factors and risks that could affect Novavax's business, financial conditions and results of operations, is contained in Novavax's filings with the U.S. Securities and Exchange Commission, which are available at <http://www.sec.gov>. These forward-looking statements speak only as of the date of this press release, and Novavax assumes no duty to update forward-looking statements.

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