



Avaxia Biologics Awarded Phase I SBIR Grant to Develop Oral Antibody Therapeutic for Celiac Disease

WAYLAND, Mass. – March 10, 2011 – Avaxia Biologics, Inc., a privately-held biotech company using its proprietary platform technology to develop orally-active antibody therapeutics for the treatment of gastrointestinal diseases, announced today that it has been awarded a Phase I Small Business Innovation Research (SBIR) grant from the National Institute of Diabetes and Digestive and Kidney Diseases of the National Institutes of Health (NIH), to support the development of a novel antibody therapeutic for celiac disease. This Phase I award provides Avaxia with approximately \$145,000 in research and development funds. If early results are promising, the Company could receive an additional \$1 million in Phase II funding.

"We are delighted to have been awarded this grant from the NIH in recognition of the potential of our novel approach to the treatment of celiac disease," said Barbara S. Fox, Ph.D., Avaxia's founder and CEO. "This NIH support provides the funding we need to advance the development of our anti-gluten antibody into pre-clinical models of celiac disease, which is a serious lifelong inherited autoimmune condition, affecting more than 2 million children and adults in the U.S. alone.

About Celiac Disease. Celiac disease is an inherited, autoimmune disease in which the lining of the small intestine is damaged from eating gluten and other proteins found in wheat, barley, rye, and possibly oats. Celiac disease is also known as celiac sprue, nontropical sprue, and gluten-sensitive enteropathy. The disease can develop at any point in life, from infancy to late adulthood. The symptoms of celiac disease can vary significantly from person to person with the most common being abdominal bloating and pain, chronic diarrhea, vomiting, constipation and weight loss. There is no medication available to treat the disease. Patients must follow a lifelong gluten-free diet in an attempt to avoid symptoms. More than 2 million people in the United States have the disease, or about 1 in 133 people.

About Avaxia Biologics, Inc.: Avaxia Biologics (www.avaxiabiologics.com) is an early stage company using its proprietary platform to develop orally-delivered antibody therapeutics to treat gastrointestinal disease. The antibodies are designed to address both diseases of the GI tract and systemic diseases where the disease targets are accessible in the GI tract. Avaxia's unique platform technology is supporting the rapid development of products for inflammatory bowel disease, acute radiation sickness, oral mucositis, celiac disease, diabetes and obesity.