



For Immediate Release

Xcellerex Signs Memorandum of Understanding with SK Chemicals to Commercialize SK-Developed Vaccines with FlexFactory® Platform

-Alliance Part of Strategic SK Chemicals' Vaccine Expansion Initiative -

Marlborough, MA – August 26, 2010 – Xcellerex, Inc. announced today that it has signed a memorandum of understanding with SK Chemicals, Co., Ltd., one of South Korea's largest industrial groups, for an alliance to develop and commercialize SK-developed vaccines with Xcellerex's FlexFactory® biomanufacturing platform. The companies expect to define specific terms of the alliance in the coming months.

"The alliance with Xcellerex is part of our strategic initiative to expand our vaccine business in Korea and beyond," said Mr. Chang Geun Kim, SK Chemicals Vice Chairman and CEO. "The FlexFactory platform, which allows us to rapidly, flexibly, and efficiently deploy advanced cell culture-based manufacturing capacity, will enable us to accelerate the development and commercialization of our pipeline products, including our influenza and pneumococcal conjugate vaccines."

Through its life sciences division, SK Chemicals currently manufactures, markets, and distributes a number of vaccines produced using traditional vaccine production techniques.

"The agreement with SK Chemicals, a leading industrial group in South Korea, recognizes the strength and flexibility of our FlexFactory platform to rapidly establish and scale manufacturing capacity across its vaccine pipeline," said Guy Broadbent, Xcellerex President and CEO. "With its growing vaccine pipeline and commitment to vaccine innovation and growth, SK Chemicals is an ideal fit with Xcellerex's FlexFactory platform and our unique business model."

Mr. Broadbent noted the company's model allows partners to bring manufacturing capacity on line using Xcellerex's process and manufacturing services capability during its partners' facility construction phase and then TransPlant™ the FlexFactory manufacturing lines to the partner.

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PHOTO CAPTION: Mr. Chang Geun Kim, Vice Chairman and CEO of SK Chemicals Co., Ltd., and Guy Broadbent, Xcellerex President and CEO, at the signing of a Memorandum of Understanding between the two companies to develop and commercialize SK-developed vaccines with Xcellerex's FlexFactory® biomanufacturing platform. The alliance with SK Chemicals, one of South Korea's largest industrial groups, is part of [its](#) strategic initiative to expand its vaccine business in Korea and beyond.

About FlexFactory Facilities & TransPlant Services

Xcellerex's FlexFactory is an innovative, portable manufacturing platform, based on the innovative application of (1) single-use technologies; (2) controlled environmental modules (CEMs); and (3) advanced and proven process automation including electronic batch records. The FlexFactory effectively eliminates clean- and steam-in-place and clean room infrastructure; greatly simplifies facility design, reducing manufacturing footprint and capital investment; and creates breakthrough gains in operating efficiency, flexibility and environmental friendliness.

Xcellerex's TransPlant portfolio of services enables partners to install, validate, and operate its FlexFactory at Xcellerex, while the partner's FlexFactory manufacturing facility is being constructed. The result is a dramatic acceleration in the time to robust clinical and commercial manufacturing when the FlexFactory is TransPlanted to the partner's site.

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Working with the Xcellerex team, TransPlant allows partners to be trained on installation and operating qualification, use FlexFactory standard operating procedures (SOPs), and develop process-specific SOPs and batch records, as well as manufacture bulk drug product at Xcellerex under the guidance of FlexFactory experts.

About SK Chemicals

SK is the 3rd largest Korean business group with an annual turnover of US\$ 83.5 billion. SK Chemicals is focusing on two business domains, green chemicals and life science. Green chemicals include new materials, composite materials, high performance resins and bio-energy, while the Life science division develops and manufactures synthetic drugs, natural products, vaccine/blood preparations and drug delivery systems.

About Xcellerex, Inc.

Xcellerex is revolutionizing the way biomolecules are developed, manufactured and commercialized. The company's unique single-use component technology platform transforms biomanufacturing economics, enabling the development of biotherapeutics and vaccines, and dramatically improving the ability of Xcellerex and its partners to deploy manufacturing capacity.

Xcellerex leverages its technology and services platform by: 1) commercializing its FlexFactories® (complete, turnkey, modular production facilities) and enabling single-use unit operations (unique, integrated XDR bioreactors, XDM mixing systems and related single-use assemblies) and 2) enabling its partners to accelerate time-to-GMP manufacturing and the clinic by leveraging its FlexFactory manufacturing know-how, services capacity, and TransPlant capability and 3) creatively structuring transactions around FlexFactories, XDRs and its FlexFactory manufacturing services.

Based in Marlborough, Massachusetts, Xcellerex is backed by an experienced management team and top-tier venture investors including Kleiner Perkins Caufield & Byers, VantagePoint Venture Partners and SCG Capital. For more information, please visit the company's website at <http://www.xcellerex.com>

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