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FOR IMMEDIATE RELEASE

MERRIMACK PHARMACEUTICALS INITIATES PHASE I STUDY OF IMMUNOMODULATOR, MM-093

Cambridge, Mass., July 29, 2003 – Merrimack Pharmaceuticals, Inc. today announced the initiation of a Phase I study for its immunomodulatory drug candidate, MM-093, a recombinant version of human alpha-fetoprotein (AFP).

The double-blind, placebo-controlled Phase I study will take place at the Guy's Drug Research Unit of Guy's and St. Thomas Hospital in London. The study will examine the safety, toxicology and pharmacokinetic profile of MM-093 in healthy volunteers. The first part of the trial will study the effects of MM-093 after a single administration and the second part will evaluate the effects of MM-093 administered several times over a 28- day period. Both parts of the study will evaluate the administration of several different dose levels of MM-093.

"We are pleased to have advanced MM-093 into human clinical trials," said Mr. Robert Mulroy, President and CEO of Merrimack. "Our goal is to build a substantial base of safety data to enable our transition into patient trials in a number of autoimmune indications."

The development of MM-093 will be focused on autoimmune diseases such as rheumatoid arthritis, multiple sclerosis, and myasthenia gravis - areas in which published and proprietary pre-clinical data provide a compelling rationale for its use, and in which significant unmet medical needs still exist.

Merrimack is the exclusive worldwide licensee to a strong intellectual property estate around MM-093, its production and uses. The extensive portfolio surrounding MM-093 includes six issued patents and several pending applications, both in the U.S. and internationally, which cover composition-of-matter, production methods and therapeutic and non-therapeutic uses of the molecule.

Merrimack currently is manufacturing clinical grade MM-093 under a strategic alliance with GTC Biotherapeutics. The material for the Phase I study was purified from the milk of goats, which are transgenic for the MM-093 gene. "The GTC system provides Merrimack with a highly pure and active product in an economical and scalable system." commented Mark Moody, Merrimack's Director of Operations.

Merrimack Pharmaceuticals, Inc. is a biotechnology company focused on the discovery and development of novel treatments for diseases in the areas of immunology and oncology. Founded by leading scientists from MIT and Harvard, the company's proprietary "Network Biology" discovery platform enables the high throughput profiling of protein networks as a basis for improved validation, lead identification and speed in the development of innovative, effective and safe therapeutics. Merrimack is a privately held company based in Cambridge, Massachusetts. For additional information, please visit www.merrimackpharma.com.