

ESPRIT PHARMA ACQUIRES EXCLUSIVE NORTH AMERICAN RIGHTS TO ESTRASORB[®] TOPICAL EMULSION; SEES GROWING PRE-EMINENCE IN WOMEN'S HEALTHCARE

East Brunswick, NJ (October 18, 2005) - Esprit Pharma, Inc. today announced that it acquired exclusive North American rights to ESTRASORB[®] (estradiol topical emulsion) from Novavax, Inc. (NASDAQ:NVAX). A topical emulsion form of the naturally occurring hormone 17 β estradiol, ESTRASORB is the first prescription topical emulsion for estrogen therapy.

Applied once daily to the legs, ESTRASORB is approved for the treatment of moderate to severe vasomotor symptoms (hot flashes) associated with menopause. The product utilizes Novavax's patented and proprietary micellar nanoparticle drug-delivery platform. This technology involves the application of a cosmetic like, moisturizing emulsion to deliver a therapeutic dose of 17 β estradiol into the bloodstream when applied to the skin.

"We are very excited about adding ESTRASORB to our product portfolio," said John T. Spitznagel, Esprit's Chairman & CEO. "In addition to the product's unique technology platform which delivers estrogen therapy through the skin, thus bypassing the liver, the acquisition of ESTRASORB reflects our ongoing and growing commitment to our women's healthcare products. Our licensing of ESTRASORB enables Novavax to complete its exit from its commercial business model and focus on its product development activities. The addition of ESTRASORB is the beginning of a long term strategic relationship with Novavax. We expect to work with Novavax to expand our product pipeline", continued Mr. Spitznagel.

"Together with our recently acquired PROQUIN[®] XR and PROSED[®] product lines, ESTRASORB strengthens our pre-eminence in the area of women's healthcare and offers substantial opportunities to realize benefits associated with product synergies," noted Mr. Spitznagel. He concluded saying, "Esprit is also in advanced discussions to acquire additional products in this specialty."

Commenting on today's announcement, Greg Stokes, President & COO of Esprit, stated, "ESTRASORB was approved for sale in late 2003 and launched by Novavax in mid 2004. Esprit will now re-launch and begin promoting ESTRASORB, taking advantage of our sales force and enhanced presence in women's healthcare."

Mr. Stokes further noted, "The product will compete in the non-systemic segment of the U.S. market for hormone replacement therapies (HRT) which is the only growing segment in the \$1.5 billion U.S. HRT market. Moreover, research indicates that ESTRASORB is widely accepted by prescribers and patients due mainly to its transdermal route of administration."

“Given the product’s delivery characteristics, plus the focused strength of our sales and marketing staff, backed by Esprit’s dedication to medical education, we expect to realize substantial long-term growth in sales of ESTRASORB,” concluded Mr. Stokes.

Financial terms of today’s announced transaction were not disclosed.

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About Esprit Pharma

Esprit Pharma is a niche oriented, forward thinking pharmaceutical company committed to improving patient outcomes and well-being within the Genito-urinary and women’s health care fields. Led by a highly experienced management team, Esprit focuses on serving the unique needs of physicians by identifying opportunities and selectively acquiring and maximizing the potential of approved and late-stage development medicines and providing support through internal expertise and a dedication to medical education. A privately held company, Esprit has investment support from the leading healthcare venture capital and private equity firms of Domain Associates, LLC (<http://www.domainvc.com>), New Enterprise Associates (<http://www.nea.com>) and Apax Partners, Inc. (<http://www.apax.com>). For additional information visit the Company’s Internet site at www.EspritPharma.com.

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