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Achaogen Signs \$26.6 Million Contract with NIAID for Development of New Therapy to Treat Resistant Strains of NIAID Category A and B Priority Pathogens

SAN FRANCISCO, CA, March 3, 2009 – Achaogen, a clinical stage biopharmaceutical company addressing the issue of multi-drug resistant bacterial infections through the discovery and development of innovative broad-spectrum antibiotics, today announced that it has been awarded a contract worth up to \$26.6 million over five years from the National Institute of Allergy and Infectious Diseases (NIAID), part of the National Institutes of Health (NIH), an agency of the United States Department of Health and Human Services. This award will fund the discovery and development of proprietary Achaogen compounds to combat biothreat strains of Gram-negative bacteria such as *Yersinia pestis*, the causative agent of bubonic plague, and *Francisella tularensis*, the causative agent of tularemia. This is Achaogen's first award from NIAID, and brings the total non-dilutive capital secured by Achaogen from a variety of funding sources to over \$100 million since its inception.

Achaogen's neoglycosides, next-generation aminoglycosides, have shown broad-spectrum efficacy *in vitro* and *in vivo* against a wide range of multi-drug resistant Gram-negative organisms (including *Pseudomonas*, *Acinetobacter* and Enterobacteriaceae) as well as multi-drug resistant Gram-positive bacteria (including methicillin-resistant *Staphylococcus aureus* (MRSA) and vancomycin-resistant *Staphylococcus* strains). The NIAID funding will support Achaogen work to extend the spectrum and efficacy of its current leads, and to advance one neoglycoside through Phase 1 clinical trials.

“We are delighted that Achaogen has successfully competed for funding to advance our pipeline of novel therapies to multi-drug resistant antibacterial infections, including our expanded-spectrum neoglycosides portfolio,” said J. Kevin Judice, Ph.D., chief executive officer and chief scientific officer of Achaogen. “Achaogen shares NIAID's commitment to addressing the global concerns of biothreat bacteria and antibiotic resistance. We are excited to be at the forefront of the development of potential solutions to these concerns.”

The project will be 100% federally funded in the amount of \$26,660,078.

About Achaogen

Achaogen is a clinical stage biopharmaceutical company focused on the discovery and development of innovative, broad-spectrum antibiotics to treat multi-drug resistant bacterial infections. Resistance to available antibacterial therapies continues to rise at an alarming rate, and Achaogen is poised to meet the evolving needs of this market by applying its anticipatory science to develop drugs today that will combat tomorrow's resistant pathogens. This scientific strategy represents a novel approach to addressing the global bacterial resistance crisis.

Achaogen is creating new medicines that anticipate the next wave of anti-bacterial infections, including agents for the underserved Gram-negative infectious disease market and methicillin-resistant *Staphylococcus aureus* (MRSA). Achaogen's most advanced compound, ACHN-490, one of the company's next generation aminoglycosides known as neoglycosides, entered the clinic in January 2009, and the company has several other innovative small molecule antibacterial programs nearing clinical development. South San Francisco-based Achaogen is backed by top-tier venture investors and has received substantial non-dilutive funding from NIH, the U.S. Department of Defense, the Wellcome Trust and other sources. Venture capital investors include 5 AM Ventures, ARCH Venture Partners and Domain Associates, Venrock Associates and Versant Ventures. For more information, please visit the company's website at www.achaogen.com.

About NIAID

The National Institute of Allergy and Infectious Diseases (NIAID) conducts and supports research - at the National Institutes of Health (NIH), throughout the United States, and worldwide - to study the causes of infectious and immune-mediated diseases, and to develop better means of preventing, diagnosing and treating these illnesses. News releases, fact sheets and other NIAID-related materials are available on the NIAID Web site at <http://www.niaid.nih.gov>.

The NIH - The Nation's Medical Research Agency - includes 27 Institutes and Centers and is a component of the U.S. Department of Health and Human Services. It is the primary federal agency for conducting and supporting basic, clinical and translational medical research, and it investigates the causes, treatments and cures for both common and rare diseases. For more information about NIH and its programs, visit <http://www.nih.gov>.

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