

Genaera Liquidating Trust Tax Information for 2009

On June 4, 2009, Genaera Corporation's (the "Company") stockholders approved a Plan of Complete Liquidation and Dissolution of the Company (the "Plan"). Pursuant to the Plan, on June 11, 2009, the Company's Board of Directors voted to dissolve the Company, to transfer the Company's assets and liabilities to a liquidating trust and to appoint Argyce LLC as liquidating trustee. On June 12, 2009, Genaera transferred all its remaining assets and liabilities ("Trust Estate") to the Genaera Liquidating Trust ("Trust"). The stock transfer books of the Company were permanently closed on June 12, 2009. The holders of record of Genaera common stock as of the close of business on that date subsequently received on June 12, 2009 a liquidating distribution of non-trading beneficial interests in the Trust on a pro rata basis equal to their former stockholdings in the Company.

The sole purpose of the Trust is to liquidate the Trust Estate and distribute to the beneficiaries the income and proceeds therefrom in an orderly and timely manner after the payment of, or provision for, expenses and liabilities in accordance with the Genaera Liquidating Trust Agreement.

The Trust is treated for tax purposes as a grantor trust and, as such, will be disregarded for Federal income tax purposes. You will be treated as having a direct interest in an allocable portion of each asset and liability of the Trust. Consequently, an allocable portion of all items of Trust income, deductions and credits must be reported by you on your income tax return. Enclosed is a grantor's letter to advise you of taxable income and deductions of the Trust which should be reported on your 2009 tax returns.

We recommend that you consult your tax advisor concerning the specific tax consequences and tax reporting relating to the tax information provided on the grantor's letter. The Trustee can not and will not provide advice on the personal tax treatment of the tax information.

You previously should have received through your broker a Form 1099-DIV from the Company and related tax information concerning the 2009 distribution of beneficial interest in the Trust based on your shares in the Company. The distribution would have been listed in Box 9 of the Form 1099-DIV.

If you have any questions, please refer to the Trust's website at www.genaera.com or write to:

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Argyce LLC, Trustee
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Southampton, PA 18966
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Genaera Liquidating Trust
Employer ID Number:
Grantor Letter Statement of Income/ (Loss)
Year Ended December 31, 2009

	In whole dollars	Per 1,000 shares	Per 100 shares	Per share
Interest Income (Enter on Form 1040, Schedule B, Part I, Line 1)	94.66	\$ 0.01	\$ 0.00	\$ 0.000
Passive income (loss) from estates and trust				
Income				
Other revenues				
Total passive income	193,811.26			
Expenses				
Other business expenses	55,230.07			
Outside services	55,696.34			
Research	4,160.06			
Total passive expenses	115,086.47			
Total passive income (loss) from estates and trusts (Enter on Form 1040, Schedule E, Part III)	78,724.79	\$ 4.51	\$ 0.45	\$ 0.005
Other deductions subject to 2% limitation				
Legal and professional fees	111,597.85			
Trustee fees	149,592.38			
Total other deductions subject to 2% limitation (Enter on Form 1040, Schedule A, Line 22)	261,190.23	\$ 14.96	\$ 1.50	\$ 0.015
Other non-deductible expenses	6.08			
Net income per books	\$ (182,370.78)			
Total units outstanding	17,464,630			