



GENAERA
Liquidating Trust

March 2010 Update

On January 11, 2010 the Trust issued a press release offering Genaera's two remaining drug development assets for sale, namely Genaera's interest in the IL-9 antibody program for asthma and all rights related to pexiganan, an antimicrobial peptide. The Trust regained control of the rights to pexiganan from the prior licensee at the end of December 2009. We had anticipated including a report as to the disposition of both assets in our year-end mailing to Unitholders, along with the description of the liquidation process over the past 10 months. As of April 2, 2010, the Trust is negotiating closing documents for the sale of one asset and negotiating terms for the disposition of the other asset. Given confidentiality obligations to the parties involved in these processes, we cannot provide additional detail on these matters at this time.

Rather than further delaying the mailing, we will send out financial information, the tax portions of which have been sent to brokers and posted on the website. When the asset dispositions are completed, we will provide a separate report as to those transactions and a more detailed discussion of the liquidation process on the Trust's website.