

Update to Unit Holders – September 2009

A brief update follows, principally about developments concerning the IL9 asset and followed by a note on email communications with unit holders.

Background – IL9

As you know, MedImmune, Inc. (“MedImmune”), now a subsidiary of AstraZeneca, is the licensee of patents and technology owned by the Genaera Liquidating Trust (the “Trust”) as successor in interest to Genaera Corporation (the “Company”) under a Collaboration and License Agreement (the “Agreement”) dated April 19, 2001. Under the Agreement, MedImmune also sublicensed patents and technology licensed to the Company by the Ludwig Institute of Cancer Research (“Ludwig”). The patents and technology were incorporated into an antibody being developed by MedImmune to treat asthma, “MEDI 528”. MedImmune progressed MEDI 528 through preclinical development and Phase 1 studies and commenced Phase 2 studies. Commencement of Phase 1 and Phase 2 studies each resulted in payment of a \$500,000 milestone to the Company in 2004 and 2006, a confidential portion of which was paid to Ludwig under their license to the Company. In August of 2008, MedImmune’s Phase 2 studies of MEDI 528 were put on “clinical hold.” On March 30, 2009, the Company announced that it would “actively seek ways to monetize the anti-IL9 antibody (MEDI-528) ... [program].”

Recent News – IL9

In late August 2009, a full year after Phase 2 studies of MEDI 528 were placed on clinical hold MedImmune posted a new Phase 2 clinical study of MEDI 528 on ClinicalTrials.gov. We believe this is a very positive development because it confirms MedImmune’s commitment to the programs and a course of action beyond clinical hold status. While it is not the Trustee’s role, nor within our expertise to opine on clinical study designs, based on brief input received from one of our scientific advisors and the care with which MedImmune has been advancing the program generally, we expect that the new study is well designed. We also anticipate that this study’s results will be very important to the process of advancing development of MEDI 528 into Phase 3 studies and ultimately, some years in the future, an NDA filing. The description of the new study indicates that completion is expected March of 2012. That description is posted on ClinicalTrials.gov at the following link:

<http://clinicaltrials.gov/ct2/show/NCT00968669?term=medi+528&rank=4>

The Trust remains subject to contractual confidentiality terms set forth in the Agreement and in the Company’s licenses from Ludwig. Our update of August 12, 2009 on the Company website includes as much explanation of the Agreement as we could provide within the confidentiality limitations. Unit holders interested in the MedImmune license should review that information.

Additional Information – Communications with Unit Holders

We have received suggestions that the Trust put a registration function on the Company website where unit holders could register their email addresses to receive email updates or at least email notification

that a new update has been posted. We are currently exploring the feasibility and cost of that functionality.

It is important to note, that while we are no longer subject to the disclosure regulations of a public company, we may in some circumstances be limited in the amount of information we can disseminate. As exemplified by the MedImmune agreements, a number of the companies we deal with have confidentiality terms that limit what we can disclose. Discussions with potential purchasers of intellectual property are always conducted under confidentiality agreements for that reason. In an effort to provide our unit holders with accurate and up to date information, we need to balance our desire to be open with our concern that a partial disclosure can sometimes be less accurate than no disclosure.