

August 25, 2009

To: Former Stockholders of Genaera Corporation (the "Company")

Re: Conversion of Genaera Corporation Shares into Units of Beneficial Interest in the Genaera Liquidating Trust (the "Trust") as to all holders of the Company's stock on June 12, 2009

Dear Beneficiary:

The attachment is a statement of your aggregate ownership of Units in the Trust. It shows the number of shares of the Company's common stock that you held on June 12, 2009. The Company has dissolved. You now hold a number of units in the Trust equal to the number of shares shown on the attachment. I am writing to provide you with information on your beneficial interest in the Trust, background on the formation of the Trust and contact information for the Trustee.

On June 4, 2009 the Company's 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 the Trust and to appoint Argyce LLC as liquidating Trustee. The terms of the Trust are set forth in the Liquidating Trust Agreement (the "Trust Agreement") executed between the Company and the Trustee. The Trust Agreement can be found with the Company's SEC filings on the SEC website as part of the Form 8-K filed on June 12, 2009 with an explanatory press release.

The Company filed its Certificate of Dissolution with the Secretary of the State of Delaware on June 12, 2009, at which point the Trust became the Company's successor in interest and all outstanding shares of the Company's common stock were cancelled. Under the Trust Agreement each share of the Company's common stock automatically became one unit of beneficial interest ("Unit") in the Trust on the record date. The record date was June 12, 2009, the date on which the Company's common stock ceased trading on NASDAQ.

The Trust desires to provide a mechanism for sharing information with you but has very little cash with which to operate. Accordingly, the Trust will continue to operate the Company's website at www.genaera.com. As resources do not permit more, this site will be the primary vehicle for sharing information and significant developments with you. You may wish to review the site periodically for updates. Following the close of the calendar year, the Trust will send you tax information relating to your interest in the Trust.

The Trustee can be contacted by mail at Genaera Liquidating Trust, Attn: Argyce LLC, 610 Second Street Pike, Southampton, PA 18966 or via email at trustee@genaera.com. Future updates to contact information will be posted on the website.

Sincerely,

The Genaera Liquidating Trust

By: /s/ John A. Skolas
John A. Skolas for Argyce LLC
Trustee