



**MAGELLAN BIOSCIENCE GROUP CLOSSES FIRST TRANCHE OF FINANCING:  
Company relocates Corporate Offices**

*TAMPA, Florida* – **10 November 2006** – Magellan BioScience Group, Inc., a pioneer in drug discovery and development from marine microbial sources, today announced a private placement of its preferred stock to be received in two tranches. New investors MB Capital Partners (New York, NY) led the round.

In conjunction with the financing, Magellan has relocated its corporate headquarters to a state-of-the-art, 5,000 square foot facility in Tampa, Florida. The building, located at 6101 Johns Road, Tampa, Florida houses the Company's corporate offices and research and development laboratories. This move completes an earlier, partial relocation of Magellan's research and development laboratories to a small portion of the site. Magellan intends to use the facility to support its expanding drug discovery and development programs. Magellan currently has 6 employees and plans to increase that number significantly by the end of 2007.

The proceeds from the financing will be used to expand upon its current agreements for the discovery of novel compounds for partners in agrochemical, pharmaceutical and specialty chemical sectors.

"The financial backing of this group of highly respected investors will help advance our discovery efforts over the next year," said Todd R. Daviau, President and CEO of Magellan BioScience Group, Inc. "We're delighted to expand our capacity – in order to drive our innovations further along the development path. Consolidation of our personnel will allow us to focus fully on our business strategy, which is the discovery of new compounds for our partners in pharmaceutical and agrochemical discovery."

"In the past eight months, Magellan has entered into or extended partnering agreements for the discovery of novel compounds with several pharmaceutical and agrochemical companies not to mention private research institutions, and this facility enables us to proceed smoothly with those programs, said Dr. John M. Cronan, Vice-President of Magellan, "It will also accommodate further expansion over the next several years."

**About Magellan BioScience Group.** Magellan BioScience Group, Inc, is a privately held innovative biotechnology company focused on the discovery of novel chemical compounds from the marine environment. Magellan uses its integrated platform technologies to identify new biologically-active compounds from the marine environment. The company believes that its library of marine microbes will be the next source of drug discovery for the pharmaceutical industry. Magellan aims to develop and optimize drug candidates to treat cancer, diseases of the central nervous system, infectious diseases, and inflammation. For additional information, please refer to the company's web site at [www.magellanbioscience.com](http://www.magellanbioscience.com).

Magellan's new address is: 6101 Johns Road, Suite 8, Tampa, FL 33634. The Company's telephone is now 727-865-1300; facsimile is 813-514-9401.