

Molecular Templates and ImClone Systems Form Oncology Drug Discovery and Translation Research Collaboration

-- Focused on New Class of Small Biologic Therapeutics that Offers Potential Advantages over Traditional Approaches --

GEORGETOWN, Tex. – July 6th, 2010 - Molecular Templates announced today that it has entered into a collaborative oncology drug discovery and translation research agreement with ImClone Systems, a wholly-owned subsidiary of Eli Lilly and Company (NYSE: LLY).

Under the terms of the agreement, Molecular Templates will identify Engineered Toxin Bodies (ETBs) against an undisclosed oncology target of interest selected by ImClone. ImClone will conduct preclinical studies utilizing the ETBs to evaluate their therapeutic potential in oncology. Upon completion of the evaluation of the ETBs, Molecular Templates and ImClone have the option to continue exclusive development of selected ETBs by ImClone for potential commercialization by Lilly. Molecular Templates will receive upfront, milestone and royalty payments if any of the ETBs are selected for further development and commercialization. Financial terms of the agreement were not disclosed.

"We are excited to partner with a premier biologics innovator like ImClone," said Eric Poma, president and chief executive officer of Molecular Templates. "We look forward to collaborating with ImClone to identify novel oncology therapies by leveraging our ETB technology. Given ImClone's depth in the oncology and biologics arena, we view this partnership as validation of our novel platform and its potential to be used to discover and develop the next generation of targeted biologic medicines."

ETBs represent a new class of small biologic therapeutics derived from modified bacterial toxins that retain the potent direct cell-kill properties, internalization capabilities, and predictable pharmacokinetics of the parent toxins, but have significantly reduced immunogenicity. These features confer a host of advantages over traditional biologic and small molecule approaches and allow for discovery of therapeutic targets that may be uniquely accessible by ETBs. Molecular Templates has created a vast library ($>10^{15}$) of ETBs, each with distinct binding affinities, that can be directly screened for cell-kill ability to rapidly identify promising therapeutic candidates based on both specificity and efficacy to a given target.

About ImClone Systems ImClone Systems, a wholly-owned subsidiary of Eli Lilly and Company, is committed to advancing oncology care by developing a portfolio of targeted biologic treatments designed to address the medical needs of patients with a variety of cancers. Additional information about ImClone is available at www.imclone.com.

About Molecular Templates

Molecular Templates is a private biopharmaceutical company focused on the discovery and development of Engineered Toxin Bodies (ETBs), a next generation targeted biologics platform. Using the Direct Select Platform (DSP), Molecular Templates has created ETBs libraries that can be screened in a high throughput manner to identify novel therapeutic targets and molecules for various disease states. Molecular Templates plans to identify and develop therapeutics through partnerships with select biopharmaceutical companies as well as on its

own. The company completed a series A financing in 2009 led by Santé Ventures. For more information, visit www.moleculartemplates.com.

CONTACT

Jason Kim

512-961-8479

info@moleculartemplates.com