DOR BioPharma, Inc. (“DOR” or “the Company”) is a biopharmaceutical company addressing life-threatening side effects of cancer and cancer treatments, serious gastrointestinal diseases and disorders, and biodefense countermeasures. The Company’s lead product, orBec® (oral beclomethasone dipropionate), is a potent, locally acting corticosteroid being developed to treat gastrointestinal Graft-versus-Host Disease (GI GVHD). GI GVHD is a rare disorder that can strike people whose immune system is suppressed after receiving allogeneic hematopoietic stem cell transplantation (HSCT), also known as bone marrow/stem cell transplantation, for cancer as well as gastrointestinal disorders characterized by severe inflammation. Symptoms of GI GVHD may include skin rash, intestinal problems similar to colitis, and liver dysfunction. The Company is also developing biodefense countermeasures pursuant to the paradigm established by the Project BioShield Act of 2004, which provides incentives for industry to expeditiously supply biodefense countermeasures to the Strategic National Stockpile (SNS). DOR’s biodefense products in development are bioengineered vaccines to protect against the deadly effects of ricin toxin (with a vaccine called RiVax™) and botulinum toxin (with a vaccine called BT-VACC™)—both considered serious bioterrorism threats. The Company has headquarters in Miami, Florida.

Recent Financial Data

<table>
<thead>
<tr>
<th>Ticker (Exchange)</th>
<th>DORB.OB (OTC.BB)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recent Price (01/03/07)</td>
<td>$0.24</td>
</tr>
<tr>
<td>52-Week Range</td>
<td>$0.20 - $0.69</td>
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<tr>
<td>Shares Outstanding</td>
<td>62 million</td>
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<tr>
<td>Market Capitalization</td>
<td>$14.9 million</td>
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<tr>
<td>Average 3-month Volume</td>
<td>174,353</td>
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<tr>
<td>Insider +5% Owners</td>
<td>~3%</td>
</tr>
<tr>
<td>Institutional Owners</td>
<td>~42%</td>
</tr>
<tr>
<td>EPS (Quarter ended 09/30/06)</td>
<td>($0.02)</td>
</tr>
<tr>
<td>Employees</td>
<td>8</td>
</tr>
</tbody>
</table>

Key Points

- In December 2006, the Company announced that the U.S. Patent and Trademark Office (USPTO) issued a Notice of Allowance of patent claims based on the U.S. patent application #09/698,551 for the RiVax™ vaccine.
- In November 2006, DOR announced that both the U.S. FDA and the European Medicines Agency (EMEA) have initiated the review process of the Company’s New Drug Application (NDA) and Marketing Authorization Application (MAA), respectively, for orBec® for the treatment of GI GVHD. The FDA granted a standard review designation and established a target action date of July 21, 2007, for completion of review.
- In August 2006, DOR announced the appointment of a new president and chief executive officer (CEO), Christopher J. Schaber, Ph.D., and a new chairman of the Board of Directors, James Kuo, M.D., MBA.
- In September 2006, the Company received two grants totaling approximately $5.3 million to support the development of its BioDefense vaccine programs—RiVax™ and BT-VACC™.
- DOR’s most recent financial results were reported in November 2006. Revenue for the third quarter 2006 was $117,982 versus $733,892 in the year-ago period. Year-to-date revenue for 2006 was approximately $1.6 million versus approximately $2.3 million for the year-ago period. The decrease results from two grants reflected in the reported revenue for the first nine months of 2005. Research and development (R&D) expenses for the third quarter were $761,276 versus $964,398 in the year-ago period. Year-to-date R&D expenses were approximately $3.8 million versus approximately $2.4 million in the year-ago period.
- Net loss was $1.4 million or ($0.02) per share for the third quarter 2006 versus approximately $1.2 million or ($0.02) per share for the third quarter 2005. For the first nine months of 2006, net loss was approximately $6.4 million or ($0.10) per share versus $2.7 million or ($0.06) per share for the year-ago period 2005.

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Financial Results and Recent Events

Third Quarter Financial Results

DOR BioPharma’s most recent financial results were reported in November 2006. Revenue for the third quarter 2006 was $117,982 versus $733,892 for the third quarter 2005. Research and development (R&D) expenses for the three-month period ended September 30, 2006, were $761,276 versus $964,398 for the year-ago period. The Company expects its R&D expenditures for the next 12 months to range from approximately $800,000 to $3.5 million under existing product development agreements and license agreements, pursuant to letters of intent and option agreements. DOR anticipates grant revenues for the next 12 months to offset R&D expenses of its ricin vaccine in the amount of approximately $4 million, with $1.5 million contributing towards overhead expenses. General and administrative (G&A) expenses for the third quarter 2006 were $660,085 versus $441,489 for the third quarter 2005. DOR reported a net loss of approximately $1.4 million or ($0.02) per share for the third quarter 2006 versus a net loss of approximately $1.2 million or ($0.02) per share for the third quarter 2005.

At September 30, 2006, DOR had cash and cash equivalents of $589,601 versus $821,702 at December 31, 2005, and approximately $1.8 million at September 30, 2005. At September 30, 2006, DOR also had a negative working capital of $719,477 versus $319,675 at December 31, 2005. Management’s plan to generate positive cash flows either from operations or financing includes continuing to seek sources of additional funding, which could involve debt or equity financing and grant funds from governmental sources, and continuing to explore outlicensing opportunities for orBec® in the U.S. and Europe for its BioDefense programs.

Year-to-Date Financial Results

DOR’s year-to-date revenue, which was also reported in November 2006, was approximately $1.6 million versus approximately $2.3 million for the comparable prior-year period. The decrease results from two grants reflected in the reported revenue for the first nine months of 2005—a $5.2 million grant awarded by the National Institute of Allergy and Infectious Diseases (NIAID) in September 2004 for RiVax™, which increased to $6.4 million in May 2005 for a renegotiated Facilities and Administrative rate, as well as a $0.3 million grant awarded by the U.S. Food and Drug Administration (FDA) in September 2005 for “Oral BDP for the Treatment of Gastrointestinal Graft-versus-Host Disease (GI GVHD).”

For the nine months ended September 30, 2006, R&D expenses were approximately $3.8 million versus approximately $2.4 million for the comparable 2005 period. This increase is due to regulatory and filing costs associated with the filing of orBec®s New Drug Application (NDA) and Marketing Authorization Application (MAA) and an impairment expense for intangibles. Year-to-date G&A expenses for 2006 were approximately $2.1 million versus approximately $1.2 million for the same period of 2005. The increase was partially due to a recovery of Stock Option expense for the variable treatment of Options for employees in the amount of $0.3 million in 2005, and for the expensing of Stock Options under Statement of Financial Accounting Standards No. 123R (SFAS 123R) in the amount of $0.5 million.

For the nine months ended September 30, 2006, DOR’s net loss was approximately $6.4 million or ($0.10) per share versus a net loss of approximately $2.7 million or ($0.06) per share for the same period in 2005. The increase in net loss is primarily attributed to increased regulatory and filing consultant costs associated with the preparation of the NDA filing for orBec®, in-process R&D expense of $981,819 for acquiring all of the outstanding Common Stock of Enteron (merged into a wholly owned subsidiary of DOR in May 2006) that DOR did not already own, and an impairment expense for intangibles of $816,300.

Year-to-date 2006, DOR’s cash used in operating activities was $3,649,230 versus $3,607,924 for the same nine months ended September 30, 2005.
Recent Events

- On December 7, 2006, DOR announced that the U.S. Patent and Trademark Office (USPTO) issued a Notice of Allowance of patent claims based on U.S. Patent Application #09/698,551, titled “Ricin A chain mutants lacking enzymatic activity as vaccines to protect against aerosolized ricin.” This patent includes methods of use and composition claims for RiVax™, DOR’s vaccine against ricin toxin and the lead product in its BioDefense portfolio. This new patent is expected to significantly extend the Company’s patent protection for RiVax™. Following receipt of the Notice of Allowance, the Company anticipates that a patent could issue in early 2007. With 49 claims, the allowed patent covers the technology that describes the derivation of the ricin A chain antigen, which constitutes the immunogenic component of RiVax™.

- On November 28, 2006, DOR announced that the European Medicines Agency (EMEA) determined that the Marketing Authorization Application (MAA) for orBec® (oral beclomethasone dipropionate) for the treatment of gastrointestinal Graft-versus-Host disease (GI GVHD) is valid. Validation of the MAA indicates that DOR’s application is complete and that the review process has begun.

- On November 21, 2006, DOR announced that the U.S. Food and Drug Administration (FDA) has accepted the Company’s NDA for orBec® for the treatment of gastrointestinal GI GVHD. The FDA has granted the orBec® NDA application a standard review designation and established a target action date of July 21, 2007, for completion of review of the NDA in accordance with the Prescription Drug User Fee Act (PDUFA). The FDA’s acceptance of the filing indicates the FDA has determined that the NDA is sufficiently complete to permit a substantive review.

- On November 15, 2006, DOR announced that it has made advancements in the long-term stability and optimization of the formulation of RiVax™, a vaccine that contains a recombinant subunit of the A chain of ricin toxin that has been shown to induce ricin neutralizing antibodies in humans and animals. An article characterizing the conditions for maintaining long-term stability of RiVax™ has been published online in advance of print publication in the *Journal of Pharmaceutical Science*. The article is entitled “A rapid, three-step process for the preformulation of a recombinant ricin toxin A-chain vaccine” by Laura J. Peek, Robert N. Brey, and C. Russell Middaugh and can be found at [http://www3.interscience.wiley.com/cgi-bin/abstract/113324600](http://www3.interscience.wiley.com/cgi-bin/abstract/113324600). The article describes optimizing conditions for maintaining the natural structure of the RiVax™ subunit.

- On November 7, 2006, DOR announced that it has submitted an MAA to the EMEA to market orBec® for the treatment of GI GVHD, the most common life-threatening complication of allogeneic hematopoietic stem cell transplantation in cancer patients. The MAA is to be reviewed under the centralized licensing procedure, which, if approval is granted, provides a marketing license valid in all 25 member states of the European Union. Review of the application will likely be coordinated by the EMEA.

- On October 31, 2006, DOR announced that it has formed an alliance with the Wadsworth Center of the New York State Department of Health in Albany, New York, and Lovelace Respiratory Research Institute (LRRI) in Albuquerque, New Mexico, to build upon expertise in testing RiVax™, DOR’s recombinant vaccine against ricin toxin, to protect against inhalation and oral toxin exposure. The Company has been developing RiVax™ by leading a consortium of academic and industry vaccine investigators under funding from the NIAID. DOR’s consortium effort began in 2004 with an initial $6.4 million grant award. Recent grant funding of an additional $4.8 million has broadened the development capabilities of the program.

As part of the effort to enhance the consortium approach to development of vaccine and countermeasures for emerging pathogens and biological weapons, DOR is also working closely with the newly formed Alliance for Biosecurity. The Alliance for Biosecurity is an industry group of biotechnology and pharmaceutical companies working in collaboration with the non-profit Center for Biosecurity of the University of Pittsburgh Medical Center to promote changes in the way the government approaches the procurement of such products. The Alliance for Biosecurity is actively engaging with key officials in the U.S. Congress, the Department of Health and Human Services (HHS), and the FDA to advance effective ways to significantly accelerate research, development, and procurement of countermeasures.
Background

DOR BioPharma, Inc. (“DOR” or “the Company”) is a biopharmaceutical company addressing life-threatening side effects of cancer and cancer treatments, serious gastrointestinal diseases and disorders, and biodefense countermeasures. The Company has informally divided itself into two divisions—the BioTherapeutics Division and the BioDefense Division. The BioTherapeutics division is developing orBec® (oral beclomethasone dipropionate), a locally acting corticosteroid for the treatment of gastrointestinal Graft-versus-Host Disease (GI GVHD). GI GVHD is a common, serious complication of allogeneic hematopoietic stem cell transplantation (HSCT), also known as bone marrow/stem cell transplantation, for cancer, as well as other gastrointestinal disorders characterized by severe inflammation. orBec® is being developed to potentially sustain remission of GI GVHD and to suppress the inflammation associated with these disorders while potentially producing fewer adverse side effects than systemic corticosteroids, such as high-dose prednisone (which is toxic). Within its BioDefense segment, DOR is developing biomedical countermeasures. These products are bioengineered vaccines designed to protect against the deadly effects of ricin toxin and botulinum toxin—both considered serious bioterrorism threats. DOR’s ricin toxin vaccine, RiVax™, has successfully completed a Phase I clinical safety and immunogenicity trial in normal volunteers. A brief overview of the Company’s technology is provided in Table 1 as well as the section below. Greater details are provided within the Core Story section of Crystal Research Associates’ Executive Informational Overview® (EIO®) dated October 6, 2006.

BioTherapeutics Division

orBec®

The Company’s most advanced product, orBec®, is a potent, locally acting corticosteroid in development to treat GI GVHD, a common and serious complication of HSCT for cancer, as well as other gastrointestinal disorders characterized by severe inflammation. The Company has completed a randomized, multi-center, double-blinded, placebo-controlled pivotal Phase III clinical trial for the treatment of acute GI GVHD. In this study, orBec® demonstrated a statistically significant reduction in mortality during the prospectively defined Day 200 post-transplant period, with a 70% reduction in mortality compared to placebo (p-value 0.0139). Regarding its primary endpoint, time to treatment failure through Day 50, orBec® did not achieve statistical significance (p-value 0.1177), whereas the subsequent analysis, time to treatment failure through Day 80, was statistically significant (p-value 0.0226). These results show that orBec® is an effective therapy for treatment of GI GVHD.

<table>
<thead>
<tr>
<th>Product</th>
<th>Therapeutic Indication</th>
<th>Stage of Development</th>
</tr>
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<tbody>
<tr>
<td>orBec®</td>
<td>Treatment of GI GVHD</td>
<td>Pivotal Phase III Clinical Trial Completed; NDA and MAA filed</td>
</tr>
<tr>
<td>orBec®</td>
<td>Prevention of GI GVHD</td>
<td>Phase II (to be commenced)</td>
</tr>
<tr>
<td>LPM™ Leuprolide</td>
<td>Endometriosis and prostate cancer</td>
<td>Preclinical</td>
</tr>
<tr>
<td>Oraprine™</td>
<td>Oral lesions in connection with GVHD and possibly juvenile rheumatoid arthritis (RA)</td>
<td>Preclinical</td>
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<table>
<thead>
<tr>
<th>Select Agent</th>
<th>Currently Available Countermeasure</th>
<th>DOR BioDefense Product</th>
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</thead>
<tbody>
<tr>
<td>Ricin Toxin</td>
<td>No vaccine or antidote currently FDA approved</td>
<td>Injectable Ricin Vaccine; Phase I Clinical Trial Successfully Completed</td>
</tr>
<tr>
<td>Botulinum Toxin</td>
<td>No vaccine or antidote currently FDA approved</td>
<td>Oral/Nasal Botulinum Vaccine</td>
</tr>
</tbody>
</table>

Source: DOR BioPharma, Inc.

Table 1
DOR BioPharma, Inc.
PRODUCT PIPELINE SUMMARY

BIODEFENSE PRODUCTS

Ricin Toxin

| Ricin Toxin | No vaccine or antidote currently FDA approved | Nasal Ricin Vaccine |
| Botulinum Toxin | No vaccine or antidote currently FDA approved | Oral Botulinum Therapeutic |

Source: DOR BioPharma, Inc.
In November 2006, DOR announced that the U.S. Food and Drug Administration (FDA) accepted the Company’s New Drug Application (NDA) for orBec® for the treatment of GI GVHD. The FDA granted the orBec® NDA application a standard review designation and established a target action date of July 21, 2007, for completion of review of the NDA in accordance with the Prescription Drug User Fee Act (PDUFA). The FDA’s acceptance of the filing indicates the FDA has determined that the NDA is sufficiently complete to permit a substantive review. In addition, the European Medicines Agency (EMEA) determined that DOR’s Marketing Authorization Application (MAA) for orBec®’s treatment of GI GVHD is valid, indicating that DOR’s application is complete and the review process in Europe has begun as well.

BioDefense Division

DOR is also developing biomedical countermeasures through its BioDefense Division pursuant to the paradigm established by the Project BioShield Act of 2004. To expedite the availability of biomedical countermeasures to the U.S. Strategic National Stockpile (SNS) for potential emergency use authorization, the Project BioShield Act of 2004 utilizes a paradigm of varying stages of government cooperation and support that occur in parallel to the regulatory and development process. This is important since the regulatory and development pathway of this route is shorter than for traditional pharmaceutical products, and clinical trials may not be required because of their lack of feasibility. DOR is developing biodefense vaccines designed to protect against the deadly effects of ricin toxin (with a vaccine called RiVax™) and botulinum toxin (with a vaccine called BT-VACC™)—both considered serious bioterrorism threats by the U.S. Department of Homeland Security (DHS), National Institute of Allergic and Infectious Diseases (NIAID), Department of Defense (DOD), and Centers for Disease Control and Prevention (CDC). RiVax™ successfully completed a Phase I clinical trial in normal volunteers, and DOR has initiated a new botulinum toxin therapeutic development program based on rational drug design. Through exclusive licenses with two universities, DOR has obtained intellectual property rights related to these vaccines, described in the Intellectual Property section of the EIO®.

**RiVax™**

DOR is a worldwide leader in the area of ricin toxin vaccine research and development, developing RiVax™ as a potential vaccine for ricin exposure. Ricin toxin is a heat-stable toxin that is easily isolated and purified from the bean of the castor plant. As a bioterrorism agent, ricin could be disseminated as an aerosol, by injection, or as a food supply contaminant. The CDC has classified ricin as a Category B biological agent. Ricin works by first binding to glycoproteins found on the exterior of a cell, and then by entering the cell and inhibiting protein synthesis leading to cell death. Once exposed to ricin toxin, there is no effective therapy available to reverse the course of the toxin. Additionally, there is no FDA-approved vaccine to protect against the possibility of ricin toxin being used in a terrorist attack, or its use as a weapon on the battlefield, nor is there a known antidote for ricin toxin.

On January 30, 2006, DOR announced positive results of a Phase I safety and immunogenicity trial in healthy volunteers of RiVax™ that was completed by investigators at the University of Texas Southwestern Medical Center (UTSW). Results from the trial demonstrated that RiVax™ is safe and immunogenic after immunization with three monthly injections of vaccine, with volunteers developing antibodies against the ricin toxin. The functional activity of the antibodies was confirmed by transferring serum samples from the vaccinated volunteers into mice, which then survived exposure to ricin toxin. Under the sponsorship of a National Institutes of Health (NIH) grant, DOR, in collaboration with Cambrex Biosciences Baltimore, Inc., has developed a scalable process for the manufacture of the subunit immunogen component of RiVax™, commenced long-term stability testing, and developed a second-generation formulation of RiVax™ to be tested in Phase II trials and pivotal animal studies.

In November 2006, DOR announced that it had made advancements in the long-term stability and optimization of the formulation of RiVax™. An article entitled “A rapid, three-step process for the preformulation of a recombinant ricin toxin A-chain vaccine,” characterizing the conditions for maintaining long-term stability of RiVax™, is published online in the *Journal of Pharmaceutical Science*. It describes optimizing conditions for maintaining the natural structure of the RiVax™ subunit.

DOR successfully completed its current Good Manufacturing Practices (cGMP) review in July 2006 for the production of RiVax™, pursuant to its manufacturing collaboration with Cambrex and supported by a Challenge Grant totaling $6.4 million awarded to DOR in September 2004 by NIAID.
Patent Protection

DOR announced on December 7, 2006, that it has received a Notice of Allowance of patent claims from the U.S. Patent and Trademark Office (USPTO) based on U.S. patent application #09/698,551 (“Ricin A chain mutants lacking enzymatic activity as vaccines to protect against aerosolized ricin”) for the methods of use and composition claims of RiVax™. This event is expected to significantly extend DOR’s patent protection of RiVax™, and the Company anticipates that a patent could issue in early 2007. The allowed claims in the patent application include: (1) the combination of specific mutations in the enzymatically active site of ricin A chain and specific mutations in the site that induces Vascular Leak Syndrome (VLS)—a syndrome believed to result from the binding of the ricin A chain to endothelial cells, thereby causing fluid leakage and leading to local tissue damage; and (2) that the combination of mutations in each of the key sites for ricin toxicity ensures that the recombinant subunit is inherently safe. Studies conducted by Dr. Ellen Vitetta, Director of the Cancer Immunobiology Center at UTSW, and her colleagues have indicated that the specific mutations introduced into the ricin A chain eliminate the toxic activity of the molecule, but do not alter the structure, permitting a highly immunogenic and safe vaccine. The allowed patent is the second patent related to the technology basis for the construction of RiVax™ to be issued in the U.S. The first patent, #6,566,500, (“Compositions and methods for modifying toxic effects of proteinaceous compounds”) describes specific mutations which result in the loss of one of the toxic activities of the ricin A chain that leads to VLS.

Grants

In September 2006, DOR announced that it had been awarded two new grants from the NIAID, totaling approximately $5.3 million, to support the development of its vaccine programs. One grant of approximately $4.8 million was awarded for the continued development of RiVax™; the second grant of approximately $0.5 million was awarded to sustain additional research for the development of BT-VACC™, a mucosally deliverable multivalent vaccine against botulinum toxin, described below.

In September 2004, DOR was awarded a $6.4 million grant from the NIH following a Small Business Innovation Research (SBIR) grant that examined the feasibility of developing a vaccine. The grant’s project period, September 15, 2004 to August 31, 2007, covers the process development for manufacturing and is based on milestones and certain budget amounts earned as DOR meets specific targets. This work is being carried out pursuant to a manufacturing agreement with Cambrex Biosciences and consortium studies with the UTSW, the University of Kansas, and the Stanford Research Institute.

BT-VACC™

DOR is also developing a vaccine against botulinum neurotoxin, BT-VACC™, a mucosally administered vaccine that protects against exposure to botulinum neurotoxins. Botulinum neurotoxin is the most potent natural toxin and is on the Category A list of biothreats. Based on promising preclinical results that demonstrate induction of protective immune responses via oral or intranasal vaccination, it is believed that BT-VACC™ can be developed as either a stand alone vaccine or be administered as a booster to the current injected vaccines. Vaccines administered by the mucosal route, especially orally, are more convenient and safer than injectable vaccines and potentially allow more rapid distribution of vaccine in the event of a national emergency. In addition, vaccines that are administered mucosally induce neutralizing antibodies that block toxins before they can enter the body, leading to better protection against aerosol or oral exposure to botulinum neurotoxin. BT-VACC™ is covered by issued and pending U.S. patents, described in the Intellectual Property section of the EIO®. BT-VACC™ is being manufactured pursuant to a collaboration agreement with Dowpharma, (a business within the Dow Chemical Company [DOW-NYSE]), in which DOR is to utilize Dow’s Pfenex pseudomonas expression technology.

Headquarters and Employees

DOR is headquartered in Miami, Florida, and employs eight full-time individuals, three of whom are Ph.D.s.
Key Points

DOR BioPharma, Inc. is a biopharmaceutical company addressing life-threatening side effects of cancer and cancer treatments, serious gastrointestinal diseases and disorders, and biomedical countermeasures.

BioTherapeutics Division

- The Company’s lead product, orBec® (oral beclomethasone dipropionate), is a potent, locally acting corticosteroid being developed for the treatment of gastrointestinal Graft-versus-Host Disease (GI GVHD), a common serious complication of allogeneic hematopoietic stem cell transplantation (HSCT), also called bone marrow/stem cell transplantation, for cancer, as well as other GI disorders characterized by severe inflammation. There are no FDA-approved therapies for this indication.

- In January 2006, DOR announced positive new survival findings from a Phase II clinical trial of oral beclomethasone and a pivotal Phase III clinical trial of orBec®.

- In November 2006, DOR announced that the FDA accepted the Company’s NDA for orBec® for the treatment of GI GVHD. The FDA has granted the orBec® NDA application a standard review designation and established a target action date of July 21, 2007, for completion of review of the NDA in accordance with the Prescription Drug User Fee Act (PDUFA). The FDA’s acceptance of the filing indicates the FDA has determined that the NDA is sufficiently complete to permit a substantive review. DOR also announced that the EMEA determined that the Company’s MAA for orBec® for treatment of GI GVHD was valid, indicating that DOR’s application is complete and the review process has begun.

- DOR believes that the initial launch costs of orBec® could be relatively low due to limited number of treatment professionals and rapid dissemination of information in these transplant centers. The Company believes that it can cover this territory with between 10 to 12 internal sales representatives in the U.S. In the rest of the world, DOR is seeking partners for all other indications for orBec®.

- DOR has Orphan Drug designations for orBec® in the U.S. and Europe for the treatment of GI GVHD. These Orphan Drug designations provide for seven years of post-approval marketing exclusivity in the U.S. and 10 years exclusivity in Europe for the use of orBec® in treating GI GVHD. The Company has pending patent applications for this indication that, if granted, may extend its anticipated marketing exclusivity beyond the seven years of post-approval exclusivity provided by the Orphan Drug Act of 1983. Additionally, DOR is the exclusive licensee of an issued U.S. patent that covers the use of orBec® for the prevention of GVHD.

BioDefense Division

- DOR is developing biomedical countermeasures pursuant to the paradigm established by the Project BioShield Act of 2004. These biodefense products in development are bioengineered vaccines designed to protect against the deadly effects of ricin toxin and botulinum toxin—both of which are considered serious bioterrorism threats.

- In January 2006, DOR announced positive results of its Phase I clinical trial of RiVax™, which represented the first time a ricin toxin vaccine had ever been clinically tested in humans.

- In January 2006, DOR announced that along with its collaborators, it had successfully completed the second development milestone for its ricin vaccine, RiVax™, under the $6.4 million Challenge Grant previously awarded to DOR in September 2004 by the National Institute of Allergy and Infectious Diseases (NIAID), a unit of the National Institutes of Health (NIH).

- In September 2006, the Company announced that it had been awarded two new grants from the NIAID totaling approximately $5.3 million to support the development of its vaccine programs. One grant of approximately $4.8 million was awarded for the continued development of RiVax™, a recombinant vaccine against ricin toxin. The second grant of approximately $0.5 million has been awarded to sustain additional research for the development of BT-VACC™, a mucosally deliverable multivalent vaccine against botulinum toxin.
On December 7, 2006, DOR announced that the USPTO issued a Notice of Allowance of patent claims based on patent application #09/698,551 (“Ricin A chain mutants lacking enzymatic activity as vaccines to protect against aerosolized ricin”) for the methods of use and composition claims of RiVax™. This event is expected to significantly extend DOR’s patent protection of RiVax™, and the Company anticipates that a patent could issue in early 2007.

DOR is the only company to have successfully tested a multivalent botulinum vaccine in animals.

General Corporate

On August 30, 2006, DOR announced the appointment of a new president and chief executive officer (CEO), Christopher J. Schaber, Ph.D. (biography on page 7 of the EIO®). Dr. Schaber was elected as a member of DOR’s Board of Directors as well. DOR also announced the appointment of James Kuo, M.D., MBA, (biography on page 9 of the EIO®) as the new non-executive chairman of the Company’s Board of Directors. Dr. Kuo has been a DOR Board director since March 2004.

On April 18, 2006, DOR announced that it was granted Small and Medium Sized Enterprises (SME) status by the European Commission and the EMEA. The SME program is a new initiative by the EMEA that is dedicated to addressing the particular needs of small and medium size companies developing medicinal products in Europe.

On April 16, 2006, DOR announced the initiation of trading on the Over-The-Counter (OTC) Bulletin Board under the new stock symbol DORB.

On April 10, 2006, DOR completed a private equity financing of $3.65 million with institutional investors.

Risks

Some of the information in this Quarterly Update relates to future events or future business and financial performance. Such statements can only be predictions and the actual events or results may differ from those discussed due to the risks described in DOR's statements on Forms 10-KSB, 10-QSB, 8-K, as well as other forms filed from time to time. The content of this update with respect to DOR has been compiled primarily from information available to the public released by DOR through news releases, Annual Reports, and Securities and Exchange Commission (SEC) filings. DOR is solely responsible for the accuracy of this information. Information as to other companies has been prepared from publicly available information and has not been independently verified by DOR. Certain summaries of activities have been condensed to aid the reader in gaining a general understanding. For more complete information about DOR, please refer to the Company's website at www.dorbiopharma.com.

Investors should carefully consider the risks and the information about DOR's business described in Crystal Research Associates' Executive Informational Overview® (EIO®), dated October 6, 2006. Investors should not interpret the order in which these considerations are presented as an indication of their relative importance. The risks and uncertainties described in the EIO® are not the only risks that DOR faces. Additional risks and uncertainties not presently known to DOR or that DOR currently believes to be immaterial may also adversely affect its business. If any of those risks and uncertainties develops into actual events, the business, financial condition, and results of operations could be materially and adversely affected, and the trading price of its shares could decline.
Legal Notes and Disclosures: This report has been prepared by DOR BioPharma, Inc., (“DOR” or “the Company”) with the assistance of Crystal Research Associates, LLC (“CRA”) based upon information provided by the Company. CRA has not independently verified such information. In addition, CRA has been compensated by the Company $35,000 in cash and equity for its services in creating the Executive Informational Overview® (EIO®), for updates, and for printing costs. Included in this compensation: fifty-thousand (50,000) shares of DOR Common Stock and one-hundred and fifty thousand (150,000) Warrants.

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