

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
FORM 10-KSB

(MARK ONE)

**S ANNUAL REPORT UNDER SECTION 13 OR 15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934**

**FOR THE FISCAL YEAR ENDED - OCTOBER 31, 2007**

**OR**

**£ TRANSITION REPORT Under SECTION 13 OR 15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934**

**FOR THE TRANSITION PERIOD FROM \_\_\_\_\_ TO \_\_\_\_\_**

**COMMISSION FILE NUMBER 000-28489**

**ADVAXIS, INC.**

(Name of Small Business Issuer in Its Charter)

Delaware  
(State or Other Jurisdiction of  
Incorporation or Organization)

02-0563870  
(I.R.S. Employer Identification No.)

Technology Centre of New Jersey  
675 US Highway One, Suite B113  
North Brunswick, New Jersey  
(Address of Principal Executive Offices)

08902  
(Zip Code)

(732) 545-1590  
(Issuer's Telephone Number)

Securities registered under Section 12(b) of the Exchange Act:

Common Stock - \$.001 par value  
The Common Stock is listed on the Over-The-Counter Bulletin Board  
(OTC:BB)

Securities registered under Section 12(g) of the Exchange Act:

[None]

Check whether the Registrant (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes S No £

Check if there is no disclosure of delinquent filers in response to Item 405 of Regulation S-B contained in this form, and no disclosure will be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-KSB or any amendment to this Form 10-KSB. £

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes £ No S

State issuer's revenues for its most recent fiscal year. \$154,201

The aggregate market value of the voting common equity held by non-affiliates of the registrant as of December 31, 2007 was approximately \$16,635,698 based upon the closing bid price of the registrant's Common Stock on the Over the Counter Bulletin Board, at December 31, 2007. (For purposes of determining this amount, only directors, executive officers, and 10% or greater stockholders and their respective affiliates have been deemed affiliates).

Registrant 107,957,977 shares of Common Stock, par value \$0.001 per share, issued and outstanding as of 12/31/07.

**DOCUMENTS INCORPORATED BY REFERENCE**

The Exhibits to this Annual Report have been incorporated by reference from other filings by the Company with the Securities and Exchange Commission.

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## PART 1

### FORWARD LOOKING STATEMENTS

*This Annual Report on Form 10-KSB contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. When used in this Annual Report, statements that are not statements of current or historical fact may be deemed to be forward-looking statements. Without limiting the foregoing, the words “plan”, “intend”, “may”, “will,” “expect,” “believe”, “could,” “anticipate,” “estimate,” or “continue” or similar expressions or other variations or comparable terminology are intended to identify such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. Except as required by law, the Company undertakes no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.*

#### Item 1: Description of Business

##### History of the Company

We were originally incorporated in the State of Colorado on June 5, 1987 under the name Great Expectations, Inc. We were administratively dissolved on January 1, 1997 and reinstated June 18, 1998 under the name Great Expectations and Associates, Inc. In 1999, we became a reporting company under the Securities Exchange of 1934 (the “Exchange Act”). Until November 2004, we were a publicly-traded “shell” company without any business until November 12, 2004 when we acquired Advaxis, Inc., a Delaware corporation (“Advaxis”), through a Share Exchange and Reorganization Agreement, dated as of August 25, 2004 (the “Share Exchange”), by and among Advaxis, the stockholders of Advaxis and us. As a result of such acquisition, Advaxis became our wholly-owned subsidiary and our sole operating company. On December 23, 2004, we amended and restated our articles of incorporation and changed our name to Advaxis, Inc. On June 6, 2006 our shareholders approved the reincorporation of the company from the state of Colorado to the state of Delaware by merging the Company into its wholly-owned subsidiary. As used herein, the words “Company” and “Advaxis” refer to the current Delaware corporation only unless the context references such entity prior to the June 20, 2006 reincorporation into Delaware. Our principal executive offices are located at Technology Centre of NJ, 675 US Highway One, North Brunswick, NJ 08902 and our telephone number is (732) 545-1590.

On July 28, 2005 we began trading on the Over-The-Counter Bulletin Board (OTC:BB) under the ticker symbol ADXS.

##### Recent Developments

On October 17, 2007, pursuant to a Securities Purchase Agreement, we completed a private placement resulting in \$7,384,235 in gross proceeds, pursuant to which we sold 49,228,334 shares of common stock at a purchase price of \$0.15 per share solely to institutional and accredited investors. Each investor received a five-year warrant to purchase an amount of shares of common stock that equals 75% of the number of shares of common stock purchased by such investor in the offering at a price of \$0.20 (the “\$0.20 Warrants”).

Concurrent with the closing of the private placement, the Company sold for \$1,996,666 to CAMOFI Master LDC and CAMHZN Master LDC, affiliates of its financial advisor, Centrecourt Asset Management (“Centrecourt”), an aggregate of (i) 10,000,000 shares of Common Stock, (ii) 10,000,000 \$0.20 Warrants, and (iii) 5-year warrants to purchase an additional 3,333,333 shares of Common Stock at a purchase price of \$0.001 per share (the “\$0.001 Warrants”). The Company and the two purchasers agreed that the purchasers would be bound by and entitled to the benefits of the Securities Purchase Agreement as if they had been signatories thereto. The \$0.20 Warrants and \$0.001 Warrants contain the same terms, except for the exercise price. Both warrants provide that they may not be exercised if, following the exercise, the holder will be deemed to be the beneficial owner of more than 9.99% of the Company’s outstanding shares of Common Stock. Pursuant to a consulting agreement dated August 1, 2007 with Centrecourt with respect to the anticipated financing, in which Centrecourt was engaged to act as Registrant’s financial advisor, Registrant paid Centrecourt \$328,000 in cash and issued 2,483,333 \$0.20 Warrants to Centrecourt, which Centrecourt assigned to the two affiliates.

All of the \$0.20 Warrants and \$0.001 Warrants provide for adjustment of their exercise prices upon the occurrence of certain events, such as payment of a stock dividend, a stock split, a reverse split, a reclassification of shares, or any subsequent equity sale, rights offering, *pro rata* distribution, or any fundamental transaction such as a merger, sale of all of its assets, tender offer or exchange offer, or reclassification of its common stock. If at any time after October 17, 2008 there is no effective registration statement registering, or no current prospectus available for, the resale of the shares underlying the warrants by the holder of such warrants, then the warrants may also be exercised at such time by means of a “cashless exercise.”

In connection with the private placement, we entered into a registration rights agreement with the purchasers of the securities pursuant to which we agreed to file a registration statement with the Securities and Exchange Commission with an effectiveness date within 90 days after the final closing of the offering. The resale of 49,228,334 shares of common stock and 36,921,250 shares underlying the warrants is being registered in the prospectus. The registration statement is anticipated to be declared effective on January 16, 2008. See "Private Placements."

At the closing of this private placement, we exercised our right under an agreement dated August 23, 2007 with YA Global Investments, L.P. f/k/a Cornell Capital Partners, L.P. ("Yorkville"), to redeem the outstanding \$1,700,000 principal amount of our Secured Convertible Debentures due February 1, 2009 owned by Yorkville, and to acquire from Yorkville warrants expiring February 1, 2011 to purchase an aggregate of 4,500,000 shares of our common stock. We paid an aggregate of (i) \$2,289,999.01 to redeem the debentures at the principal amount plus a 20% premium and accrued and unpaid interest, and (ii) \$600,000 to repurchase the warrants.

## Our Website

We maintain a website at [www.advaxis.com](http://www.advaxis.com) which contains descriptions of our technology, our drugs and the trial status of each drug.

## General

We are a development stage biotechnology company with the intent to develop safe and effective cancer vaccines that utilize multiple mechanisms of immunity. We use the *Listeria* System licensed from the University of Pennsylvania (Penn) to secrete a protein sequence containing a tumor-specific antigen. Using the *Listeria* System, we believe we will force the body's immune system to process and recognize the antigen as if it were foreign, creating the immune response needed to attack the cancer. We believe that the *Listeria* System is a broadly enabling platform technology that can be applied to many types of cancers. In addition, we believe there may be useful applications in infectious diseases and auto-immune disorders.

The therapeutic approach that comprises the *Listeria* System is based upon the innovative work of Yvonne Paterson, Ph.D., Professor of Microbiology at Penn, involving the creation of genetically engineered *Listeria* that stimulate the innate immune system and induce an antigen-specific immune response involving humoral and cellular components.

We have focused our initial development efforts upon cancer vaccines targeting cervical, breast, prostate, ovarian, lung and other cancers. Our lead products in development are as follows:

Product	Indication	Stage
Lovaxin C	Cervical intraepithelial neoplasia (CIN), cervical cancer, head and neck cancer.	Phase I/II completed in the fiscal fourth quarter 2007. Phase II study in CIN anticipated to commence in 3 <sup>rd</sup> quarter fiscal 2008. The Gynecologic Oncology Group (GOG) of the National Cancer Institute has agreed to conduct a cervical cancer study timing to be determined.
Lovaxin P	Prostate cancer	Preclinical; Phase I study anticipated to commence 2 <sup>nd</sup> quarter fiscal 2009
Lovaxin B	Breast cancer	Preclinical; Phase I study anticipated to commence in mid fiscal 2009

See "Item 1. Description of Business - Research and Development Programs".

Since our formation, we have had a history of losses that as of October 31, 2007 have aggregated \$12,072,742, and because of the long development period for new drugs, we expect to continue to incur losses for an extended period of time. Our business plan to date has been realized by substantial outsourcing of virtually all major functions of drug development including scaling up for manufacturing, research and development, grant applications, clinical studies and others. The expenses of these outsourced services account for most of our accumulated loss. We cannot predict when, if ever, any of our product candidates will become commercially viable or FDA-approved. Even if one or more of our products receives United States Food and Drug Administration, or FDA, approval or becomes commercially viable we are not certain that we will ever become a profitable business.

## Strategy

During the next 12 to 24 months our strategic focus will be to achieve several objectives. The foremost of these objectives are as follows:

- Present our completed Phase I/II clinical study of Lovaxin C which document the practicability of using this agent safely in the therapeutic treatment of cervical cancer;
- Initiate our Investigational New Drug Application (IND) with the FDA for our Phase II clinical study of Lovaxin C in the therapeutic treatment of CIN;
- Initiate our Phase II clinical study of Lovaxin C in the therapeutic treatment of CIN;
- Continue the preclinical development work necessary to bring Lovaxin P into clinical trials, and initiate that trial;
- Continue the preclinical development work necessary to bring Lovaxin B into clinical trials, and initiate that trial;
- Continue the pre-clinical development of our product candidates, as well as continue research to expand and enhance our technology platform; and
- Initiate strategic and development collaborations with biotechnology and pharmaceutical companies.

*Complete the Ongoing Phase I/II Clinical Study of Lovaxin C.* This trial was conducted in Israel, Serbia and Mexico, and a total of 15 women with end-stage cervical cancer were treated. Three different dose levels were tested at 5 patients per dose, by administering the same dose twice to patients as an IV infusion at a 3 week interval. The study demonstrated Lovaxin C can be used safely in end-stage metastatic cervical cancer. In the two lower dose groups (a total of 10 patients) drug related side effects consisted of fever, chills, nausea and vomiting, comprising a flu like syndrome that is frequently associated with immunotherapies and is believed to result from the release of immune cytokines as part of an innate immune response. In the lower two dose levels symptoms were controlled with non-prescription analgesics and antihistamines. In the highest dose level (5 patients) tested symptoms were more severe and dose limiting. Thus, safe doses were established as well as a dosage ceiling, which is an objective of early stage human trials. In this trial of terminal cancer patients who had previously failed chemotherapy, radiotherapy, and surgery, 13 of 15 patients were evaluable for efficacy. Of these, 5 patients progressed, 7 patients were stable, and 1 patient had an objective Partial Response (PR) using commonly accepted RECIST criterion of response. 4 patients benefitted from Lovaxin C therapy. In the stable group, 3 patients experienced a reduction of their tumor burden by approximately 20%. The PR patient, who was diagnosed in 2004 and who had failed two courses of chemotherapy and a course of radiotherapy in 2004, upon demonstrating a response to Lovaxin C was given additional chemotherapy and surgery, and is currently tumor free, with an unimpaired performance status (ECOG=0, Karnofsky =100), and all laboratory values within normal limits.

Based upon the safety demonstrated in our phase I/II trial in advanced cervical cancer, we will be undertaking a phase II trial in stage 2/3 Cervical Intraepithelial Neoplasia (CIN). Stage 3 CIN is carcinoma *in situ*, and is a non-invasive form of cervical cancer. Stages 1 and 2 CIN are commonly called cervical dysplasia. Thus CIN is the name of the disease that can increase in severity to become invasive cervical cancer. While CIN frequently regresses spontaneously, over 250,000 surgical procedures are performed in the US annually to prevent progression from CIN to invasive cancer. This indication is characterized by young, otherwise healthy, women with strong immune systems and minimal disease. The company feels this will be a very responsive population to Lovaxin C and represent a significant market. While surgery is very effective, the removal of portions of the cervix can cause a condition termed "incompetent cervix" which complicates full term pregnancy, and surgery does not confer any protection against recurrence of the disease. If Lovaxin C is a safe and effective treatment for CIN it will have the same therapeutic effect as surgery without the complications associated with removing tissue, and might provide a long lived immune response that confers protection against future recurrence.

Phase I/II studies will demonstrate therapeutic efficacy, as well as optimize the dosage and dosing regimen, the tests and assessments to be performed in phase III, to characterize the responding patient population, and to understand all factors possible for the purpose of defining and conducting a definitive test of the safety and efficacy of Lovaxin C for regulatory approval. Thereafter, and assuming that the results of this Phase II study are favorable, we intend to conduct Phase III clinical studies to demonstrate safety, efficacy and the potency of the investigational immunotherapy. Such studies are expected to occur in the next five to ten years. Throughout this process, we will be meeting with the FDA prior to and at the conclusion of each phase to reach a consensus before initiating any studies, to minimize regulatory risks during this clinical development process.

The Gynecologic Oncology Group (GOG), a collaborative treatment group associated with the National Cancer Institute, or NCI, has agreed to conduct the field work for an additional Phase II study in cervical cancer at its own expense (an estimated value of about \$1,500,000 to \$2,000,000). We estimate that we will conduct lab work valued at \$250,000 in support of this study. The timing for this trial is to be determined.

Finally, we are pursuing grant monies and an investigation team to research Lovaxin C effectiveness in treatment of head and neck cancer. The timing of this Phase II study is as yet unknown.

Following Phase III studies, we intend to prepare and file a Biologics License Application (BLA) with the FDA. Prior to submission of the BLA, depending upon the data, we intend to possibly seek a Special Protocol Assessment and/or a Fast Track designation from the FDA, which shortens the internal FDA review process. As we accrue clinical data demonstrating the safety, efficacy and potency of Lovaxin C in Phase I and II clinical studies, we will also explore other regulatory approval options with the FDA that could expedite the licensure of the final immunotherapy.

We intend to continue to devote a portion of our resources to the continued pre-clinical development and optimization of our product candidates as well as the continued research to expand our technology platform. Specifically, we intend to focus upon research relating to combining our *Listeria* System with new and additional tumor antigens which, if successful, may lead to additional cancer vaccines and other therapeutic products. These activities may require significant financial resources, as well as areas of expertise beyond those readily available. In order to provide additional resources and capital, we may enter into research, collaborative, or commercial partnerships, joint ventures, or other arrangements with competitive or complementary companies, including major international pharmaceutical companies, or with universities, such as Penn and UCLA. See "Business - Partnerships and Agreements - University of Pennsylvania."

## **Background**

### **Cancer**

Despite tremendous advances in science, cancer remains a major health problem, and for many it continues to be the most feared of diseases. Although age-adjusted mortality rates for all cancer fell during the 1990's, particularly for the major cancer sites (lung, colorectal, breast, and prostate), mortality rates are still increasing in certain sites such as liver and non-Hodgkin's lymphoma. The American Cancer Society estimates that more than eight million Americans were treated for cancer in 1999. According to the HCUP, in 2000, treatment of the top five cancers resulted in \$10.8 billion in hospital costs.

Cancer is the second largest cause of death in the United States, exceeded only by heart disease. Approximately 1,399,790 new cases of cancer were expected to be diagnosed in 2006, and 564,830 Americans were expected to die from the disease. The NIH estimates the overall cost for cancer in the year 2005 at \$209.9 billion: \$74.06 billion for direct medical costs, \$17.5 billion for indirect morbidity costs (loss of productivity due to illness) and, \$118.4 billion for indirect mortality costs (cost of lost productivity due to premature death). (Source: cancer facts & figures 2006, American Cancer Society). The incidence rate of cervical cancer and CIN in the US is about 250,000 patients per year, with 800,000 cases in the top 7 pharmaceutical markets, worldwide (including the US).

Head and neck cancers is diagnosed in 49,000 Americans annually, 136,000 in the top 7 pharmaceutical markets, combined.

Prostate cancer is diagnosed in 253,000 Americans annually, 410,000 in the top 7 markets.

Breast cancer is diagnosed in 222,000 Americans, annually, 450,000 in the top 7 markets.

### **Immune System and Normal Antigen Processing**

Living creatures, including humans, are continually confronted with potentially infectious agents. The immune system has evolved multiple mechanisms that allow the body to recognize these agents as foreign, and to target a variety of immunological responses, including innate, antibody, and cellular immunity, that mobilize the body's natural defenses against these foreign agents and will eliminate them.

### Innate Immunity:

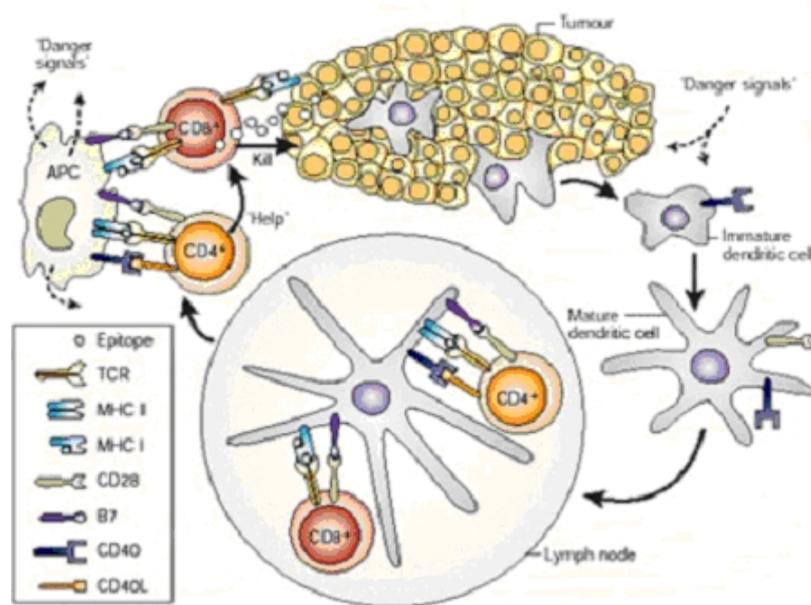
Innate immunity is the first step in the recognition of a foreign antigen by lymphocytes is antigen processing by Antigen Processing Cells (APC). APCs are phagocytic cells that ingest particulate material, infectious agents and cellular debris. This non-specific ingestion Phagocytosis by these cells results in their activation and the release of soluble mediators called cytokines that assist the immune response.

### Exogenous pathway of Adaptive Immunity (Class II pathway):

Proteins and foreign molecules ingested by APC are broken down inside digestive vacuoles into small pieces, called peptides, and the pieces are combined with proteins called Class 2 MHC (for Major Histocompatibility Complex) in a part of the cell called the endoplasmic reticulum. The MHC-peptide, termed and MHC-2 complex from the Class 2 (or exogenous) pathway, is then pushed out to the cell surface where it interacts with certain classes of lymphocytes (CD4+) such as helper T-cells that produce induce a proliferation of stimulate B-cells, which produce antibodies, or helper T cells that assist in the maturation of cytotoxic T-lymphocytes. This system is called the exogenous pathway, since it is the prototypical response to an exogenous antigen like bacteria.

### Endogenous pathway of Adaptive Immunity (Class I pathway):

There exists another pathway, called the endogenous pathway. In this system, when one of the body's cells begins to create unusual proteins (as happens in most viral infections and in cancer cells), the protein is broken up into peptides in the cytoplasm and directed into the endoplasmic reticulum, where it is incorporated into an MHC-1 protein and trafficked to the cell surface. This signal then calls effector cells of the cellular immune system, especially CD8+ cytotoxic T-lymphocytes, to come and kill the cell. The endogenous pathway is primarily for elimination of virus-infected or cancerous cells.



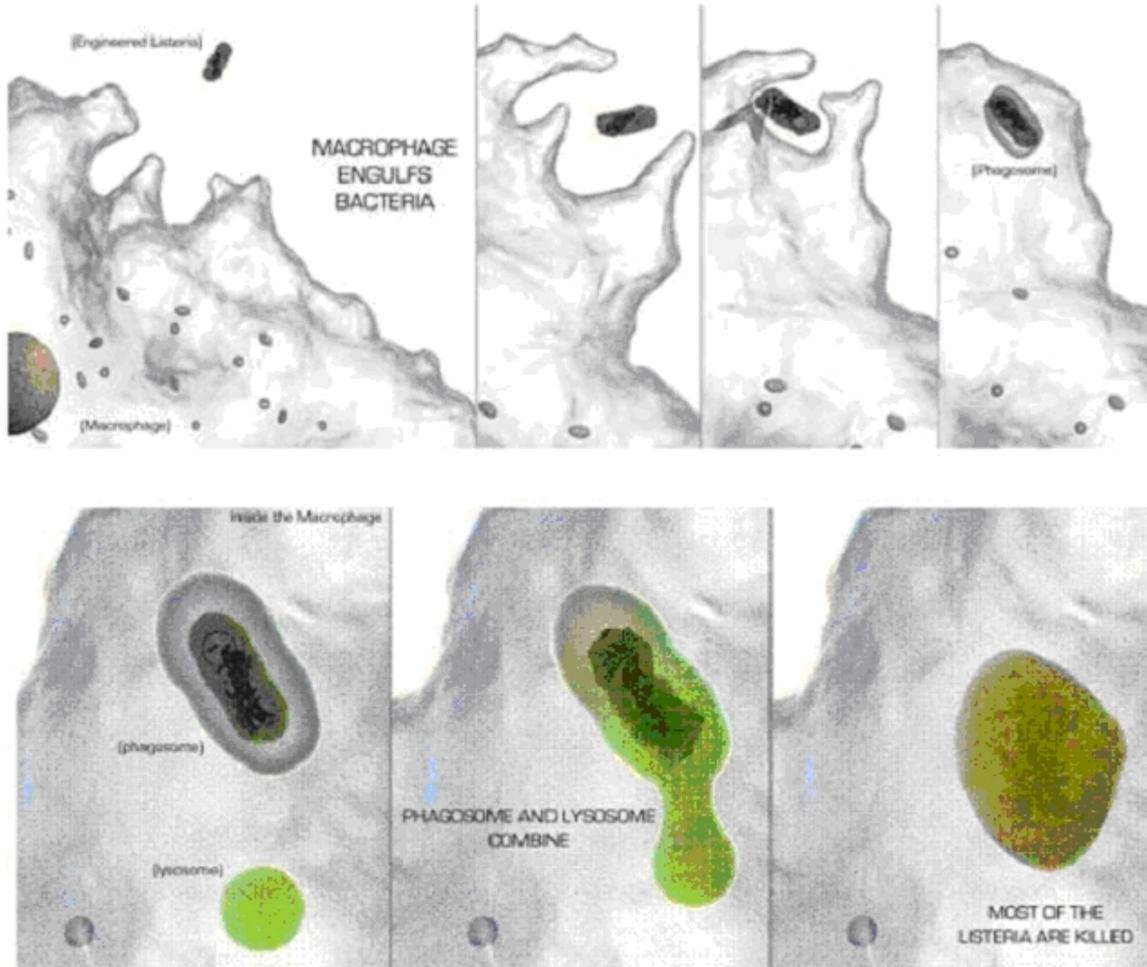
In clinical cancer, the body does not always recognize the cancer cells as foreign. *Listeria* based vaccines are unique for many reasons, one of which is that unlike viral vectors, DNA or peptide antigens or other vaccines, *Listeria* stimulates all of the above mechanisms of immune action. Our technology allows the body to recognize tumor-associated or tumor-specific antigens as foreign, thus creating the immune response needed to attack the cancer. It does this by utilizing a number of biologic characteristics of the *Listeria* bacteria and Advaxis proprietary antigen-fusion protein technology to stimulate multiple therapeutic immune mechanisms simultaneously in an integrated and coordinated manner.

### **Mechanism of Action**

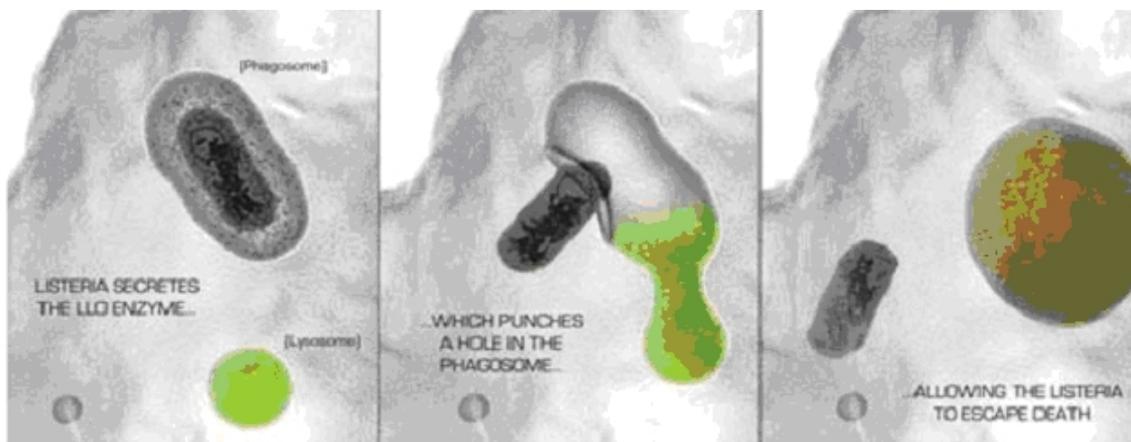
*Listeria* is a bacterium well known to medical science because it can cause an infection in humans. *Listeria* is a pathogen that causes food poisoning, typically in people who are either immunocompromised or who eat a large quantity of the microbe as can occur in spoiled dairy products. It is not laterally transmitted from person to person, and is a common microbe in our environment. Most people ingest *Listeria* without being aware of it, but in high quantities or in immune suppressed people *Listeria* can cause various clinical conditions, including sepsis, meningitis and placental infections in pregnant women. Fortunately, many common antibiotics can kill and sterilize *Listeria*.

Because *Listeria* is a live bacterium it stimulates the innate immune system, thereby priming the adaptive immune system to better respond to the specific antigens that the *Listeria* carries, which viruses and other vectors do not do. This is a non-specific stimulation of the overall immune system that results when certain classes of pathogens such as bacteria (but not viruses) are detected. It provides some level of immune protection and also serves to prime the elements of adaptive immunity to respond in a stronger way to the specific antigenic stimulus. *Listeria* stimulates a strong innate response which engenders a strong adaptive response.

When *Listeria* enters the body, it is seen as foreign by the antigen processing cells and ingested into cellular compartments called phagolysosomes, whose destructive enzymes kill most of the bacteria. A certain percentage of these bacteria, however, are able to break out of the phagolysosomes and enter into the cytoplasm of the cell, where they are relatively safe from the immune system. The bacteria multiply in the cell, and the *Listeria* is able to move to its cell surface so it can push into neighboring cells and spread.



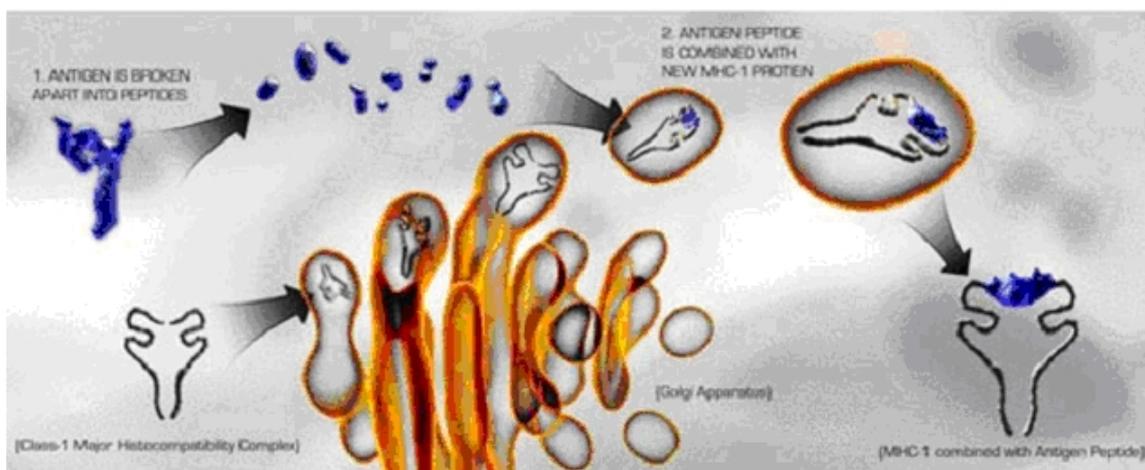
Figs 1-7. When *Listeria* enters the body, it is seen as foreign by the antigen processing cells and ingested into cellular compartments called vacuoles or lysosomes, whose destructive enzymes kill most of the bacteria, fragments of which are then presented to the immune system via the exogenous pathway.



Figs 8-10 A certain percentage of bacteria are able to break out of the lysosomes and enter into the cytoplasm of the cell, where they are safe from lysosomal destruction. The bacteria multiply in the cell, and the *Listeria* is able to migrate into neighboring cells and spread without entering the extracellular space. Antigen produced by these bacteria enter the Class I pathway and directly stimulate a cytotoxic T cell response.

It is the details of *Listeria* intracellular activity that are important for understanding Advaxis technology. Inside the lysosome, *Listeria* produces listeriolysin-O (“LLO”), a protein that digests a hole in the membrane of the lysosome that allows the bacteria to escape into the cytoplasm. Once in the cytoplasm, however, LLO is also capable of digesting a hole in the outer cell membrane. This would destroy the host cell, and spill the bacteria back out into the intercellular space where it would be exposed to more immune cell attacks and destruction. To prevent this, the body has evolved a mechanism for recognizing enzymes with this capability based upon their amino acid sequence. The sequence of approximately 30 amino acids in LLO and similar molecules is called the PEST sequence (for the predominant amino acids it contains) and it is used by normal cells to force the termination of proteins that need only have a short life in the cytoplasm. This PEST sequence serves as a routing tag that tells the cells to route the LLO in the cytoplasm and to the proteasome for digestion, which terminates its action and provides fragments that then go to the endoplasmic reticulum, where it is processed just like a protein antigen in the endogenous pathway to generate MHC-1 complexes.

This mechanism is used by *Listeria* to its benefit because the actions of LLO enable the bacteria to avoid digestion in the lysosome and escape to the cytosol where they can multiply and spread and then be neutralized so that it does not kill the host cell. Advaxis is co-opting this mechanism by creating a protein that is comprised of the cancer antigen fused to a non-hemolytic portion of the LLO molecule that contains the PEST sequence. This serves to route the molecule for accelerated proteolytic degradation which accelerates both the rate of antigen breakdown and the amount of antigen fragments available for incorporation in to MHC-1 complexes; thus increasing the stimulus to activate cytotoxic T cells against a tumor specific antigen.



Other mechanisms that Advaxis vaccines employ include *Listeria*'s ability to increase the synthesis of myeloid cells such as Antigen Presenting Cells (APC) and T cells, and to stimulate the maturation of immature myeloid cells to increase the number of available activated immune cells that underlie a cancer killing response. Immature myeloid cells actually inhibit the immune system and *Listeria* removes this inhibition. Also, *Listeria* and LLO both stimulate the synthesis, release, and expression of various chemicals which stimulate a therapeutic immune response. These chemicals are called cytokines, chemokines and co-stimulatory molecules. By doing this, not only are immune cells activated to kill cancers and clear them from the body, but local environments within tumors is created that support and facilitate a therapeutic response. Finally, in a manner that appears to be unique to Advaxis vaccines, our proprietary antigen-LLO fusion proteins, when delivered by *Listeria* do not stimulate cells caused regulatory T cells (Tregs) which are known to inhibit a therapeutic anticancer response. This does not occur when *Listeria* is engineered to deliver only a tumor specific antigen. The ability to reduce the effect of Tregs is currently under clinical investigation by other companies and is believed to be a significant mechanism of achieving a therapeutic response.

Thus, *Listeria* vaccines stimulate every immune pathway simultaneously. It has long been recognized that cytotoxic T lymphocytes (CTL) are the elements of the immune system that kill and clear cancer cells. The amplified CTL response to *Listeria* vaccines are arguably the strongest stimulator of CTL yet developed. The strength of this response is reflected in the data.

Also, many investigators have shown that LLO has adjuvant effects which result in the release of a variety of chemicals within the body, and within the tumor, termed cytokines, chemokines and co-stimulatory molecules. These agents facilitate the tumor killing effects of activated T cells by creating a local tumor environment that is most conducive for these actions to occur. Taken together, this is why it is believed that live *Listeria* which secrete LLO and escape from the phagocytotic vacuole exerts such profound immuno-stimulatory effects, while ingested *Listeria* that are digested within the vacuole and do not escape don't show these effects.

Thus, what makes Advaxis live *Listeria* vaccines so effective are a combination of effects that stimulate multiple arms of the immune system simultaneously in a manner that generates an integrated physiologic response conducive to the killing and clearing of tumor cells. These mechanisms include:

1. Very strong innate immune response
2. Stimulates inordinately strong killer T cell response
3. Stimulates helper T cells
4. Stimulates release of and/or up-regulates immuno-stimulatory cytokines, chemokines, co-stimulatory molecules
5. Adjuvant activity creates a local tumor environment that supports anti-tumor efficacy
6. Minimizes inhibitory T cells (T regs) and inhibitory cytokines and shifts to Th-17 pathway
7. Stimulates the development and maturation of all Antigen Presenting Cells and effector T cells & reduces immature myeloid cells

## Research and Development Program

### Overview

We use genetically engineered *Listeria* monocytogenes as a therapeutic agent. We start with an attenuated strain of *Listeria*, and then add to this bacterium a plasmid that encodes a protein sequence that includes a portion of the LLO molecule (including the PEST sequence) and the tumor antigen of interest. This protein is secreted by the *Listeria* inside the antigen processing cells, which then results in the immune response as discussed above.

We can use different tumor antigens (or other antigens: e.g. allergy or infectious disease) in this system. By varying the antigen, we create different therapeutic agents. Our lead agent, Lovaxin C, uses a Human Papillomavirus derived antigen that is present in cervical cancers. Lovaxin B uses Her2/neu, an antigen found in many breast cancer and melanoma cells, to induce an immune response that should be useful in treating these conditions. The table below shows a list of potential products and their current status:

Product	Indication	Stage
Lovaxin C	Cervical intraepithelial neoplasia (CIN), cervical cancer, head and neck cancer	Phase I/II completed in the fiscal fourth quarter 2007. Phase II study in CIN anticipated to commence in the 3 <sup>rd</sup> quarter fiscal 2008. The Gynecologic Oncology Group (GOG) of the National Cancer Institute has agreed to conduct a cervical cancer study timing to be determined.
Lovaxin P	Prostate cancer	Preclinical; Phase I study anticipated to commence in the 2 <sup>nd</sup> quarter fiscal 2009
Lovaxin B	Breast cancer	Preclinical; Phase I study anticipated to commence in mid fiscal 2009.

## Partnerships and Agreements

### University of Pennsylvania

On July 1, 2002 (effective date) we entered into a 20-year exclusive worldwide license, with the University of Pennsylvania (Penn) with respect to the innovative work of Yvonne Paterson, Ph.D., Professor of Microbiology in the area of innate immunity, or the immune response attributable to immune cells, including dendritic cells, macrophages and natural killer cells, that respond to pathogens non-specifically. This agreement has been amended from time to time and has been amended and restated as of February 13, 2007.

This license, unless sooner terminated in accordance with its terms, terminates upon the later (a) expiration of the last to expire Penn patent rights; or (b) twenty years after the effective date. The license provides us with the exclusive commercial rights to the patent portfolio developed at Penn as of the effective date, in connection with Dr. Paterson and requires us to raise capital, pay various milestone, legal, filing and licensing payments to commercialize the technology. In exchange for the license, Penn received shares of our common stock which currently represents approximately 5.9% of our common stock outstanding on a fully-diluted basis. In addition, Penn is entitled to receive a non-refundable initial license fee, license fees, royalty payments and milestone payments based on net sales and percentages of sublicense fees and certain commercial milestones, as follows: Under the licensing agreement, Penn is entitled to receive 1.5% royalties on net sales in all countries. Notwithstanding these royalty rates, we have agreed to pay Penn a total of \$525,000 over a three-year period as an advance minimum royalty after the first commercial sale of a product under each license (which payments we are not expecting to begin paying within the next five years). In addition, under the license, executed on February 13, 2007 we are obligated to pay an annual maintenance fee on December 31, in 2008, 2009, 2010, 2011 and 2012 and each December 31st thereafter for the remainder of the term of the agreement of \$50,000, \$70,000, \$100,000, \$100,000 and \$100,000, respectively until the first commercial sale of a Penn licensed product. Under the amended and restated agreement during fiscal 2007 we paid a total of \$157,134 in license payments in addition to the \$215,700 previously paid or a total of \$372,834 in Penn license payments. Under the agreement prior to the amendment and restatement we were required to pay \$660,000 to Penn upon receiving financing or on certain dates on or before December 15, 2007, whichever is earlier. Overall the amended and restated agreement payment terms reflect lower near term requirements but were more than offset by higher longer term milestone payments for the initiation of a phase III clinical trial and the regulatory approval for the first Penn Licensed Product. We are responsible for filing new patents and maintaining and defending the existing patents licensed to use and we are obligated to reimburse Penn for all attorneys fees, expenses, official fees and other charges incurred in the preparation, prosecution and maintenance of the patents licensed from Penn.

Furthermore, upon the achievement of the first sale of a product in certain fields, Penn shall be entitled to certain milestone payments, as follows: \$2,500,000 shall be due for first commercial sale of the first product in the cancer field. In addition, \$1,000,000 will be due upon the date of first commercial sale of a product in each of the secondary strategic fields sold. Therefore, the total potential amount of milestone payments is \$3,500,000 in the cancer field.

As a result of our payment obligations under the license assuming we have net sales in the aggregate amount of \$100 million from our cancer products, our total payments to Penn over the next ten years could reach an aggregate of \$5,420,000. If over the next 10 years our net sales total an aggregate amount of only \$10 million from our cancer products, total payments to Penn could reach be \$4,445,000.

This license also grants us exclusive negotiation and exclusive options until June 17, 2009 to obtain exclusive licenses to new inventions on therapeutic vaccines developed by Drs' Paterson and Fred Frankel and their lab. Each option is granted to us at no cost and provides a six month exercise period from the date of disclosure. Once exercised we have a 90 day period to negotiate in good faith a comprehensive license agreement at licensing fees up to \$10,000. We exercised the option under this agreement resulting in approximately 28 patent applications. The license fees, legal expense, and other filing expenses for such applications are expected to cost approximately \$400,000.

Strategically we continue to enter into sponsored research agreements with Dr. Paterson and Penn to generate new intellectual property and to exploit all existing intellectual property covered by the license.

Penn is not involved in management of our company or in our decisions with respect to exploitation of the patent portfolio.

## **Dr. Yvonne Paterson**

Dr. Paterson is a Professor in the Department of Microbiology at Penn and the inventor of our licensed technology. She has been an invited speaker at national and international health field conferences and leading academic institutions. She has served on many federal advisory boards, such as the NIH expert panel to review primate centers, the Office of AIDS Research Planning Fiscal Workshop, and the Allergy and Immunology NIH Study Section. She has written over 140 publications in immunology (including a recently published book) with emphasis during the last several years on the areas of HIV, AIDS and cancer research. Her instruction and mentorship has trained over 30 post-doctoral and doctoral students in the fields of Biochemistry and Immunology, many of whom are research leaders in academia and industry.

Dr. Paterson is currently the principal investigator on grants from the federal government and charitable trusts totaling approximately \$560,000 dollars per year and the program director of training grants totaling approximately \$1.6 million per year. Her research interests are broad, but her laboratory has been focused for the past ten years on developing novel approaches for prophylactic vaccines against infectious disease and immunotherapeutic approaches to cancer. The approach of the laboratory is based on a long-standing interest in the properties of proteins that render them immunogenic and how such immunogenicity may be modulated within the body.

*Consulting Agreement.* We entered into a renewed consulting agreement with Dr. Paterson on January 28, 2005 with an initial term expiring on January 31, 2006 with automatic renewals for up to six additional periods of six months each pursuant to which we have had access to Dr. Paterson's consulting services for one full day per week. We are currently in our fourth renewal period. Dr. Paterson has advised us on an exclusive basis on various issues related to our technology, manufacturing issues, establishing our lab, knowledge transfer, and our long-term research and development program. Pursuant to the agreement, as of October 17, 2007, Dr. Paterson receives \$7,000 per month. Upon the closing of an additional \$9 million in equity capital, Dr. Paterson's rates shall increase to \$9,000 per month. In addition, on February 1, 2005, Dr. Paterson received options to purchase 400,000 shares of our common stock at an exercise price of \$0.287 per share with 40,000 fully vested when granted and the remaining 360,000 options vesting equally over 48 months; provided that Dr. Paterson remains a consultant over the four year period. Since February 1, 2006 through October, 2007 she earned and accrued \$40,000 in fees and on October 24, 2007 she was paid \$40,000 for these fees, she holds options to purchase a total of 569,048 shares of Common Stock of which 456,548 are options exercisable within 60 days of October 31, 2007.

### *Sponsored Research Agreement.*

We entered into a sponsored research agreement on December 6, 2006 with Penn and Dr. Paterson under which we are obligated to pay \$159,598 per year for a total period of 2 years covering the development of potential vaccine candidate based on our Listeria technology as well as other basic research projects.

We intend to enter into additional sponsored research agreements with Penn in the future with respect to research and development on our product candidates.

We believe that Dr. Paterson's continuing research will serve as a source of ongoing findings and data that both supports and strengthen the existing patents. Her work will expand the claims of the patent portfolio (potentially including adding claims for new tumor specific antigens, the utilization of new vectors to deliver antigens, and applying the technology to new disease conditions) and create the infrastructure for the future filing of new patents.

Dr. Paterson is also the chairman of our Scientific Advisory Board.

## **Dr. David Filer**

We have entered a consulting agreement with Dr. David Filer, a biotech consultant. The Agreement commenced on January 7, 2005 and has a six month term, which was extended upon the agreement of both parties. It provides that he will provide to us for three days per month during the term of the agreement assistance on our development efforts, reviewing our scientific technical and business data and materials and introducing us to industry analysts, institutional investors collaborators and strategic partners. In consideration for the consulting services we pay Dr. Filer \$2,000 per month. In addition, Dr. Filer received options to purchase 40,000 shares of common stock which are currently vested. As of October 1, 2007 we entered into a new two year agreement at a monthly fee of \$5,000 including 1,500,000 \$0.20 Warrants as consideration for his assistance in the raise on October 17, 2007 as well as his advisory services and assistance. This agreement is cancelable within 90 days notice.

## **Freemind Group LLC ("Freemind")**

We have entered into an agreement with Freemind to develop and manage our grant writing strategy and application program. With Advaxis to pay Freemind according to a fee structure based on achievement of grants awarded to us at the rate of 6-7% of the grant amount. Advaxis will also pay Freemind fixed consulting fees based on the type of grants submitted, ranging from \$5,000-7,000 depending on the type of application submitted. Freemind has extensive experience in accessing public financing opportunities, the national SBIR and related NIH/NCI programs. Freemind has assisted us in the past to file grant applications with NIH covering the use of Lovaxin C for cervical dysplasia. We have paid Freemind as of October 31, 2007, fees aggregating \$23,500.

## **University of California**

On March 14, 2004 we entered into a nonexclusive license and bailment agreement with the Regents of the University of California (“UCLA”) to commercially develop products using the XFL7 strain of *Listeria monocytogenes* in humans and animals. The agreement is effective for a period of 15 years and renewable by mutual consent of the parties. Advaxis paid UCLA an initial licensee fee and annual maintenance fees for use of the *Listeria*. We may not sell products using the XFL7 strain *Listeria* other than agreed upon products or sublicense the rights granted under the license agreement without the prior written consent of UCLA.

## **Cobra Biomanufacturing PLC**

In July 2003, we entered into an agreement with Cobra Biomanufacturing PLC for the purpose of manufacturing our cervical cancer vaccine Lovaxin C. Cobra has extensive experience in manufacturing gene therapy products for investigational studies. Cobra is a full service manufacturing organization that manufactures and supplies DNA-based therapeutics for the pharmaceutical and biotech industry. These services include the GMP manufacturing of DNA, recombinant protein, viruses, mammalian cell products and cell banking. Cobra’s manufacturing plan for us involves several manufacturing stages, including process development, manufacturing of non-GMP material for toxicology studies and manufacturing of GMP material for the Phase I trial. The agreement to manufacture expired in December 2005 upon the delivery and completion of stability testing of the GMP material for the Phase I trial. Cobra has agreed to surrender the right to \$300,000 of its existing fees for manufacturing in exchange for future royalties from the sales of Lovaxin C at the rate of 1.5% of net sales, with royalty payments not to exceed \$1,950,000.

In November 2005, in order to secure production of Lovaxin C on a long-term basis as well as other drug candidates which we are developing, we entered into a Strategic Collaboration and Long-Term Vaccine Supply Agreement for *Listeria* Cancer Vaccines, under which Cobra will manufacture experimental and commercial supplies of our *Listeria* cancer vaccines, beginning with Lovaxin C, our therapeutic vaccine for the treatment of cervical and head and neck cancers. This agreement leaves the existing agreement in place with respect to the studies contemplated therein, and supersedes a prior agreement and provides for mutual exclusivity, priority of supply, collaboration on regulatory issues, research and development of manufacturing processes that have already resulted in new intellectual property owned by Advaxis, and the long-term supply of live *Listeria* based vaccines on a discounted basis.

In May 2007 we entered into a research and development consulting service agreement for manufacturing work in the amount of \$94,500 plus consumables. As of October 31, 2007 we’ve paid \$85,657 excluding consumables.

In October, 2007 we entered into a production agreement with Cobra to manufacture our phase II clinical materials using a new methodology now required by the UK, and likely to be required by other regulatory bodies in the future. The contract is for \$576,450 plus consumables and as of October 31, 2007 we have paid \$194,408 excluding consumables.

## **LVEP Management, LLC**

The Company entered into a consulting agreement with LVEP Management LLC (LVEP) dated as of January 19, 2005, and amended on April 15, 2005, and October 31, 2005, pursuant to which Mr. Roni Appel served as Chief Executive Officer, Chief Financial Officer and Secretary of the Company and was compensated by consulting fees paid to LVEP. LVEP is owned by the estate of Scott Flamm (deceased January 2006) previously, one of our directors and a principal shareholder. Pursuant to an amendment dated December 15, 2006 (“effective date”) Mr. Appel resigned as President and Chief Executive Officer and Secretary of the Company on the effective date, but remains as a board member and was a consultant to the company until December 15, 2007. The term of the agreement as amended is 24 months from effective date. Mr. Appel will devote 50% of his time over the first 12 months of the consulting period. Also as a consultant, he will be paid at a rate of \$22,500 per month in addition to benefits as provided to other company officers. He will receive severance payments over an additional 12 months at a rate of \$10,416.67 per month and shall be reimbursed for family health care. All his stock options became fully vested on the effective date and are exercisable over the term. Also, Mr. Appel was issued 1,000,000 shares of our common stock on January 2, 2007. He received a \$250,000 bonus with \$100,000 paid on January 3, 2007 and the remainder was paid in October, 2007.

## **Pharm-Olam International Ltd. (“POI”)**

In April 2005, we entered into a consulting agreement with Pharm-Olam International Ltd. (POI), based on which POI is to execute and manage our Phase I/II clinical trial in Lovaxin C with POI to contractually receive in consideration \$430,000 plus reimbursement of certain expenses of \$181,060. On December 13, 2006 we approved a change order reflecting the changes to the protocol the cost of which is estimated at \$92,000 for a total contractual obligation of \$522,000 excluding certain pass through expenses. As of October 31, 2007 we’ve paid \$294,800 toward the \$522,000 portion of the agreement and this agreement is still ongoing. In February 2007 we entered into a change order agreement for a pre-clinical toxicology study for \$79,920 and as of October 31, 2007 we’ve paid \$64,280.

## **The Investor Relations Group, Inc (“IRG”)**

We entered into an agreement with IRG whereby IRG is to serve as an investor relations and public relations consultant. The term of this agreement is on a month to month basis. In consideration for performing its services, IRG is to be paid \$10,000 per month plus out of pocket expenses, and 200,000 common shares over a period of 18 months commencing October 1, 2005, provided the agreement has not terminated. Through October 31, 2007 we issued 200,000 shares per the agreement.

## **Biologics Consulting Group, Inc. (“BCG”)**

On June 1, 2006 we entered into an agreement with BCG and on June 11, 2007 we entered into an amendment No. 1 to provide biologics regulatory consulting services to the Company in support of the IND submission to the FDA. The tasks to be performed under this Agreement will be agreed to in advance by the Company and BCG. The term of the amendment No. 1 is from June 1, 2007 to June 1, 2008. This is a time and material agreement.

## **MediVector, Inc. (“MI”)**

In May 2007 we entered into a Master Service Agreement covering three projects to serve in clinical study planning, management and execution for our upcoming Phase II clinical study. The cost of the three projects are estimated to be approximately \$350,000 over the term. As of October 31, 2007 we’ve paid them \$47,000. The term of the projects is defined as the completion of the final study reports of the clinical trial.

## **PATENTS AND LICENSES**

Dr. Paterson and Penn have invested significant resources and time in developing a broad base of intellectual property around the cancer vaccine platform technology to which on July 1, 2002 (effective date) we entered into a 20-year exclusive worldwide license and a right to grant sublicenses pursuant to our license agreement with Penn. Penn currently has 12 issued and 46 pending patents in the United States and other countries including Japan, Canada, Israel, Australia, and the European Union, through the Patent Cooperation Treaty (PCT) system pursuant to which we have an exclusive license to exploit the patents. We believe that these patents will allow us to take a strong lead in the United States e field of *Listeria*-based therapy.

### **Patents**

U.S. Patent No. 6,051,237, issued April 18, 2000. Patent Application No. 08/336,372, filed November 8, 1994 for “Specific Immunotherapy of Cancer Using a Live Recombinant Bacterial Vaccine Vector.” Expires April 18, 2017.

U.S. Patent No. 6,565,852, issued May 20, 2003, Paterson, et al., CIP Patent Application No. 09/535,212, filed March 27, 2000 for “Specific Immunotherapy of Cancer Using a Live Recombinant Bacterial Vaccine Vector.” Expires November 8, 2014.

U.S. Patent No. 6,099,848, issued August 8, 2000, Frankel et al., Patent Application No. 08/972,902 “Immunogenic Compositions Comprising DAL/DAT Double-Mutant, Auxotrophic, Attenuated Strains of *Listeria* and Their Methods of Use.” Filed November 18, 1997. Expires November 18, 2017.

U.S. Patent No. 6,504,020, issued January 7, 2003, Frankel et al. Divisional Application No. 09/520,207 “Isolated Nucleic Acids Comprising *Listeria* DAL And DAT Genes”. Filed March 7, 2000, Expires November 18, 2017.

U.S. Patent No. 6,635,749, issued October 21, 2003, Frankel, et al. Divisional U.S. Patent Application No. 10/136,253 for “Isolated Nucleic Acids Comprising *Listeria* DAL and DAT Genes.” Filed May 1, 2002, Expires November 18, 2017.

U.S. Patent No. 5,830,702, issued November 3, 1998, Portnoy, et al. Patent Application No. 08/366,477, filed December 30, 1994 for “Live, Recombinant Listeria SSP Vaccines and Productions of Cytotoxic T Cell Response” Expires November 3, 2015.

US Patent No. 6,767,542 issued July 27, 2004, Paterson, et al. Patent Application No. 09/735,450 for “Compositions and Methods for Enhancing Immunogenicity of Antigens.” Filed December 13, 2000. Expires March 29, 2020.

US Patent No. 6,855,320 issued February 15, 2005, Paterson. Patent Application No. 09/537,642 for “Fusion of Non-Hemolytic, Truncated Form of Listeriolysin o to Antigens to Enhance Immunogenicity.” Filed March 29, 2000. Expires March 29, 2020.

US Patent No. 7,135,188 issued November 14, 2006, Paterson, Patent Application No. 10/441,851 for “Methods and compositions for immunotherapy of cancer.” Filed May 20, 2003. Expires November 8, 2014.

## Patent Applications

U.S. Patent Application No. 10/239,703 for “Compositions and Methods for Enhancing Immunogenicity of Antigens.” Filed September 24, 2002, Paterson, et al.

U.S. Patent Application No. 20050048081, “Immunogenic Compositions Comprising DAL/DAT Double Mutant, Auxotrophic Attenuated Strains Of Listeria And Their Methods Of Use,” Filed September 11, 2003, Frankel et al.

U.S. Patent Application No. 10/835,662, “Compositions and methods for enhancing the immunogenicity of antigens,” Filed April 30, 2004, Paterson et al.. U.S. Patent Application No. 20060135457 Methods for constructing antibiotic resistance free bacterial vaccines. Filed **June 22, 2006.**

U.S. Patent Application No. 20060104991 Methods for constructing antibiotic resistance free bacterial vaccines Filed May 18, 2006.

U.S. Patent Application No. 10/949,667, “Methods and compositions for immunotherapy of cancer,” Filed September 24, 2004, Paterson et al.

U.S. Patent Application No. 11/223,945, “Listeria-based and LLO-based vaccines,” Filed September 13, 2005, Paterson et al.

U.S. Patent Application No. 11/727,889, “Compositions and Methods Comprising a MAGE-B Antigen” Gravekamp, Paterson, Maciag. Filed March 28, 2007.

U.S. Patent Application No. 11/798,177 “Compositions and Methods Comprising KLK3 or SOLH1 Antigens” Filed May, 10, 2007.

U.S. Patent Application No. 11/376,564, “Compositions and methods for enhancing the immunogenicity of antigens,” Filed March 16, 2006, Paterson et al.

U.S. Patent Application No. 11/376,572, “Compositions and methods for enhancing the immunogenicity of antigens,” Filed March 16, 2006, Paterson et al.

U.S. Patent Application No. 11/373,528, “Compositions and methods for Enhancing Immunogenicity of Antigens,” Filed March 13, 2006,

U.S. Patent Application No. 11/415,271, Methods and Compositions for Treatment of Non-Hodgkin’s Lymphoma, “Filed May 2, 2006, Protein Vaccine of.

U.S. Patent Application No. 10/541,614 for “Enhancing the Immunogenicity of Bioengineered Listeria Monocytogenes by Passing through Live Animal Hosts.” Filed January 8, 2004.

U.S. Patent Application No. 11/203,408 for “Methods for Constructing Anitbiotic Resistance Free Vaccines.” Filed August 15, 2005.

U.S. Patent Application No. 11/203,415 for “Methods for Constructing Anitbiotic Resistance Free Vaccines.” Filed August 15, 2005.

U.S. Patent Application No. 20070003567 for “Compositions and methods for Enhancing Immunogenicity of Antigens”. Filed January 4, 2007.

U.S. Patent Application No. 20060269561 for “Compositions and Methods For Treatment of Non-Hodgkins Lymphoma”. Filed November 30, 2006.

U.S. Patent Application No. 20060210540 for “Compositions and Methods for enhancing the immunogenicity of Antigens” Filed September 21, 2006. Use of Protein Vaccine using Act A or LLO terminal fragments.

U.S. Patent Application No. 20050118184 for, “Compositions and methods for Enhancing Immunogenicity of Antigens” Filed June 2, 2005.

## **International**

### **Patents**

Australian Patent No. 730296, Patent Application No. 14108/99 for “Bacterial Vaccines Comprising Auxotrophic, Attenuated Strains of *Listeria* Expressing Heterologous Antigens.” Issued November 13, 1998. Frankel, et al. Expires November 13, 2018.

Canadian Patent Application No. 2,309,790 for “Bacterial Vaccines Comprising Auxotrophic, Attenuated Strains of *Listeria* Expressing Heterologous Antigens.” Filed May 18, 2000, Frankel, et al. Issued January 9, 2007.

Japanese Patent Application No. 515534/96, filed November 3, 1995 for “Specific Immunotherapy of Cancer Using a Live Recombinant Bacterial Vaccine Vector”, Paterson, et al. Issued August 10, 2007

### **Patent Applications**

Canadian Patent Application No. 2,204,666, for “Specific Immunotherapy of Cancer Using a Live Recombinant Bacterial Vaccine Vector”. Filed November 3, 1995, Paterson et al.

Canadian Patent Application No. 2,404,164 for “Compositions and Methods for Enhancing Immunogenicity of Antigens.” Filed March 26, 2001. Paterson, et al.

European Patent Application No. 01928324.1 for “Compositions and Methods for Enhancing Immunogenicity of Antigens.” Filed March 26, 2001. Paterson, et al.

European Patent Application No. 98957980.0 for “Bacterial Vaccines Comprising Auxotrophic, Attenuated Strains of *Listeria* Expressing Heterologous Antigens.” Filed May 18, 2000, Frankel, et al.

Israel Patent Application No. 151942 for “Compositions and Methods for Enhancing Immunogenicity of Antigens.” Filed March 26, 2001, Paterson, et al.

Japanese Patent Application No. 2001-570290 for “Compositions and Methods for Enhancing Immunogenicity of Antigens.” Filed March 26, 2001, Paterson, et al.

PCT International Patent Application No. PCT/US06/44681 for “Methods For Producing, Growing, And Preserving *Listeria* Vaccine Vectors.” Filed November 16, 2006, Rothman, et al.

Canadian Patent Application No. 2,581,331 for “*Listeria*-Based and LLO-Based Vaccines.” Filed September 14, 2005.

European Patent Application No. 5811815.9 for “Listeria-Based and LLO-Based Vaccines.” Filed September 14, 2005.

Japanese Patent Application No. 2007-533537 for “Listeria-Based and LLO-Based Vaccines.” Filed September 14, 2005.

PCT International Patent Application No. PCT/US07/06292 “Compositions and Methods for Enhancing the Immunogenicity of Antigens.” Filed March 13, 2007

Australian Patent Application No. 20044204751 for “Enhancing the Immunogenicity of Bioengineered Listeria Monocytogenes by Passing through Live Animal Hosts.” Filed January 8, 2004.

Canadian Patent Application No. 2512812 for “Enhancing the Immunogenicity of Bioengineered Listeria Monocytogenes by Passing through Live Animal Hosts.” Filed January 8, 2004

European Patent Application No. 1594560 for “Enhancing the Immunogenicity of Bioengineered Listeria Monocytogenes by Passing through Live Animal Hosts.” Filed January 8, 2004

Hong Kong Patent Application No. 6104227.1 for “Enhancing the Immunogenicity of Bioengineered Listeria Monocytogenes by Passing through Live Animal Hosts.” Filed January 8, 2004

Israeli Patent Application No. 169553 for “Enhancing the Immunogenicity of Bioengineered Listeria Monocytogenes by Passing through Live Animal Hosts.” Filed January 8, 2004

Japanese Patent Application No. 2006-500840 for “Enhancing the Immunogenicity of Bioengineered Listeria Monocytogenes by Passing through Live Animal Hosts.” Filed January 8, 2004

Australian Patent No. 2005271247 for “Antibiotic Resistance Free DNA Vaccines.” Filed August 15, 2005

Canadian Patent Application No. 2577270 for “Antibiotic Resistance Free DNA Vaccines.” Filed August 15, 2005

European Patent Application No. 5810446.4 for “Antibiotic Resistance Free DNA Vaccines.” Filed August 15, 2005

Japanese Patent Application No. 2007-525862 for “Antibiotic Resistance Free DNA Vaccines.” Filed August 15, 2005

Australian Patent Application No. 2005271246 for “Methods for Constructing Antibiotic Resistance Free Vaccines.” Filed August 15, 2005

Canadian Patent Application No. 2,577,306 for “Methods for Constructing Antibiotic Resistance Free Vaccines.” Filed August 15, 2005

European Patent Application No. EP05808671.1 for “Methods for Constructing Antibiotic Resistance Free Vaccines.” Filed August 15, 2005

Japanese Patent Application No. 2007-525867 for “Methods for Constructing Antibiotic Resistance Free Vaccines.” Filed August 15, 2005

PCT International Patent Application.No. PCT/US06/43987 “LLO-Encoding DNA/Nucleic Acid Vaccines and Methods Comprising Same.” Filed November 13, 2006

## **United States**

In 2001, an issue arose regarding the inventorship of U.S. Patent 6,565,852 and U.S. Patent Application No. 09/537,642. These patent rights are included in the patent rights licensed by Advaxis from Penn. It is contemplated by GSK, Penn and us that the issue will be resolved through: (1) a correction of inventorship to add certain GSK inventors, (2) where necessary and appropriate, an assignment of GSK’s possible rights under these patent rights to Penn, and (3) a sublicense from us to GSK of certain subject matter, which is not central to our business plan. To date, this arrangement has not been finalized and we cannot assure that this issue will ultimately be resolved in the manner described above.

Pursuant to our license with Penn, we have an option to license from Penn any new future invention conceived by either Dr. Yvonne Paterson or by Dr. Fred Frankel in the vaccine area until June 17, 2009. We intend to expand our intellectual property base by exercising this option and gaining access to future inventions. Further, our consulting agreement with Dr. Paterson provides, among other things, that, to the extent that Dr. Paterson's consulting work results in new inventions, such inventions will be assigned to Penn, and we will have access to those inventions under license agreements to be negotiated. See "Item 1. Description of Business -Partnerships and agreements -Penn."

Our approach to the intellectual property portfolio is to aggressively create significant offensive and defensive patent protection for every product and technology platform that we develop. We work closely with our patent counsel to maintain a coherent and aggressive strategic approach to building our patent portfolio with an emphasis in the field of cancer vaccines.

We have become aware of a public company, Cerus Corporation, which has issued a press release claiming to have a proprietary *Listeria* -based approach to a cancer vaccine. We believe that through our exclusive license with Penn of U.S. Patent Nos. 5,830,702, 6,051,237 and 6,565,852, we have earliest known and dominant patent position in the United States for the use of recombinant *Listeria monocytogenes* expressing proteins or tumor antigens as a vaccine for the treatment of infectious diseases and tumors. Based on searches of publicly available databases, we do not believe that Cerus or The University of California Berkeley (which is where Cerus' consulting scientist works) or any other third party owns any published *Listeria* patents or has any issued patent claims that might materially negatively affect our freedom to operate our business as currently contemplated in the field of recombinant *Listeria monocytogenes*.

Cerus has filed an opposition against European Patent Application Number 0790835 (EP 835 Patent) which was granted by the European Patent Office and which is assigned to The Trustees of the University of Pennsylvania and exclusively licensed to us. Cerus' allegations in the Opposition are that the EP 835 Patent, which claims a vaccine for inducing a tumor specific antigen with a recombinant live *Listeria*, is deficient because of (i) insufficient disclosure in the specifications of the granted claims, (ii) the inclusion of additional subject matter in the granted claims, and (iii) a lack of inventive steps of the granted claims of the EP 835 Patent. This patent does not affect the manner in which Advaxis makes or uses its vaccine products but would preclude Cerus from using certain methodologies they require.

On November 29, 2006, following oral proceedings, the Opposition Division of the European Patent Office determined that the claims of the patent as granted should be revoked due to lack of inventive step under European Patent Office rules based on certain prior art publications. This decision has no material effect upon our ability to conduct business as currently contemplated.

As of November 20, 2007, Cerus spun its immunotherapy/listeria development effort off into a separate, privately financed company.

We have reviewed the formal written decision and filed an appeal on May 29, 2007. As of December 31, 2007 no ruling has been made. There is no assurance that we will be successful. If such ruling is upheld on appeal, our patent position in Europe may be eroded. The likely result of this decision will be increased competition for us in the European market for recombinant live *Listeria* based vaccines for tumor specific antigens. Regardless of the outcome, we believe that our freedom to operate in Europe, or any other territory, for recombinant live *Listeria* based vaccine for tumor specific antigen products will not be diminished.

Lovaxin has been registered as a trademark in Israel, Australia, South Korea, Hong Kong and Taiwan.

The U.S. trademark application for Lovaxin has been allowed by the United States Patent and Trademark Office. Trademark applications in China and in the European Union for Lovaxin are also pending. The Chinese application was recently published for opposition, and the European Union application has passed through the opposition stage.

The Canadian trademark application for Lovaxin has been opposed by Aventis Pharma S.A. That opposition proceeding is pending.

In 2006, Nycomed Pharma, of Sweden, claimed owner of the mark Levaxin, filed an opposition to our CTM (European Union) application to register Lovaxin. The opposition was refused solely on procedural grounds. If our CTM application is ultimately granted, Nycomed Pharma may file to cancel such registration of Lovaxin. Nycomed Pharma has also demanded that we cease to use Lovaxin in Sweden.

The U.S. trademark applications for Advaxis and for Advaxis and design, Serial Nos. 78/252527 and 78/252586, have been withdrawn. Oppositions to those applications have been terminated in favor of Aventis, Inc.

## Governmental Regulation

### The Drug Development Process

The FDA requires that pharmaceutical and certain other therapeutic products undergo significant clinical experimentation and clinical testing prior to their marketing or introduction to the general public. Clinical testing, known as clinical trials or clinical studies, is either conducted internally by pharmaceutical or biotechnology companies or is conducted on behalf of these companies by contract research organizations.

The process of conducting clinical studies is highly regulated by the FDA, as well as by other governmental and professional bodies. Below, we describe the principal framework in which clinical studies are conducted, as well as describe a number of the parties involved in these studies.

*Protocols.* Before commencing human clinical studies, the sponsor of a new drug must typically receive governmental and institutional approval. In the US Federal approval is obtained by submitting an investigational new drug application, or IND, to the FDA. The application contains what is known in the industry as a *protocol*. A protocol is the blueprint for each drug study. The protocol sets forth, among other things, the following:

- who must be recruited as qualified participants;
- how often, and how to administer the drug;
- what tests to perform on the participants; and
- what dosage of the drug to give to the participants.

*Institutional Review Board (Ethics Committee).* An institutional review board is an independent committee of professionals and lay persons which reviews clinical research studies involving human beings and is required to adhere to guidelines issued by the FDA. The institutional review board does not report to the FDA, but its records are audited by the FDA. Its members are not appointed by the FDA. All clinical studies must be approved by an institutional review board. The institutional review board is convened by the institution where the protocol will be conducted and its role is to protect the rights of the participants in the clinical studies. It must approve the protocols to be used, and then oversees the conduct of the study, including: the communications which the company or contract research organization conducting the study at that specific site proposes to use to recruit participants, and the form of consent which the participants will be required to sign prior to their participation in the clinical studies.

*Clinical Trials.* Human clinical studies or testing of a potential product prior to Federal approval are generally done in three stages known as Phase I through Phase III testing. The names of the phases are derived from the CFR 21 that regulates the FDA. Generally, there are multiple studies conducted in each phase.

*Phase I.* Phase I studies involve testing a drug or product on a limited number of healthy participants, typically 24 to 100 people at a time. Phase I studies determine a drug's basic safety and how the drug is absorbed by, and eliminated from, the body. This phase lasts an average of six months to a year. Cancer drugs, however, are a special case, as they are not given to normal healthy people. Typically, cancer therapeutics are initially tested on very late stage cancer patients.

*Phase II.* Phase II trials involve testing up to 200 participants at a time who may suffer from the targeted disease or condition. Phase II testing typically lasts an average of one to three years. In Phase II, the drug is tested to determine its safety and effectiveness for treating a specific illness or condition. Phase II testing also involves determining acceptable dosage levels of the drug. If Phase II studies show that a new drug has an acceptable range of safety risks and probable effectiveness, a company will continue to review the substance in Phase III studies. It is during phase II that everything that goes into a phase III test is determined.

*Phase III.* Phase III studies involve testing large numbers of participants, typically several hundred to several thousand persons. The purpose is to verify effectiveness and long-term safety on a large scale. These studies generally last two to six years. Phase III studies are conducted at multiple locations or sites. Like the other phases, Phase III requires the site to keep detailed records of data collected and procedures performed.

*New Drug Approval.* The results of the clinical trials are submitted to the FDA as part of a new drug application ("NDA") or Biologics License Application (BLA). Following the completion of Phase III studies, assuming the sponsor of a potential product in the United States believes it has sufficient information to support the safety and effectiveness of its product, it submits an NDA or BLA to the FDA requesting that the product be approved for marketing. The application is a comprehensive, multi-volume filing that includes the results of all preclinical and clinical studies, information about the drug's composition, and the sponsor's plans for producing, packaging, labeling and testing the product. The FDA's review of an application can take a few months to many years, with the average review lasting 18 months. Once approved, drugs and other products may be marketed in the United States, subject to any conditions imposed by the FDA.

*Phase IV.* The FDA may require that the sponsor conduct additional clinical trials following new drug approval. The purpose of these trials, known as Phase IV studies, is to monitor long-term risks and benefits, study different dosage levels or evaluate safety and effectiveness. In recent years, the FDA has increased its reliance on these trials. Phase IV studies usually involve thousands of participants. Phase IV studies also may be initiated by the company sponsoring the new drug to gain broader market value for an approved drug. For example, large-scale trials may also be used to prove effectiveness and safety of new forms of drug delivery for approved drugs. Examples may be using an inhalation spray versus taking tablets or a sustained-release form of medication versus capsules taken multiple times per day.

The drug approval process is time-consuming, involves substantial expenditures of resources, and depends upon a number of factors, including the severity of the illness in question, the availability of alternative treatments, and the risks and benefits demonstrated in the clinical trials.

On November 21, 1997, former President Clinton signed into law the Food and Drug Administration Modernization Act. That act codified the FDA's policy of granting "Fast Track" approval for cancer therapies and other therapies intended to treat serious or life threatening diseases and that demonstrate the potential to address unmet medical needs. The Fast Track program emphasizes close, early communications between FDA and the sponsor to improve the efficiency of preclinical and clinical development, and to reach agreement on the design of the major clinical efficacy studies that will be needed to support approval. Under the Fast Track program, a sponsor also has the option to submit and receive review of parts of the NDA or BLA on a rolling schedule approved by FDA, which expedites the review process.

The FDA's Guidelines for Industry Fast Track Development Programs require that a clinical development program must continue to meet the criteria for Fast Track designation for an application to be reviewed under the Fast Track Program. Previously, the FDA approved cancer therapies primarily based on patient survival rates or data on improved quality of life. While the FDA could consider evidence of partial tumor shrinkage, which is often part of the data relied on for approval, such information alone was usually insufficient to warrant approval of a cancer therapy, except in limited situations. Under the FDA's new policy, which became effective on February 19, 1998, Fast Track designation ordinarily allows a product to be considered for accelerated approval through the use of surrogate endpoints to demonstrate effectiveness. As a result of these provisions, the FDA has broadened authority to consider evidence of partial tumor shrinkage or other surrogate endpoints of clinical benefit for approval. This new policy is intended to facilitate the study of cancer therapies and shorten the total time for marketing approvals. Under accelerated approval, the manufacturer must continue with the clinical testing of the product after marketing approval to validate that the surrogate endpoint did predict meaningful clinical benefit. To the extent applicable we intend to take advantage of the Fast Track programs to obtain accelerated approval on our future products; however, it is too early to tell what effect, if any, these provisions may have on the approval of our product candidates.

The Orphan Drug Act provides incentives to develop and market drugs ("Orphan Drugs") for rare disease conditions in the United States. A drug that receives Orphan Drug designation and is the first product to receive FDA marketing approval for its product claim is entitled to a seven-year exclusive marketing period in the United States for that product claim. A drug which is considered by the FDA to be different than such FDA-approved Orphan Drug is not barred from sale in the United States during such exclusive marketing period even if it receives approval for the same claim. We can provide no assurance that the Orphan Drug Act's provisions will be the same at the time of the approval, if any, of our products.

## **Other Regulations**

Various Federal and state laws, regulations, and recommendations relating to safe working conditions, laboratory practices, the experimental use of animals, and the purchase, storage, movements, import, export, use, and disposal of hazardous or potentially hazardous substances, including radioactive compounds and infectious disease agents, are used in connection with our research or applicable to our activities. They include, among others, the United States Atomic Energy Act, the Clean Air Act, the Clean Water Act, the Occupational Safety and Health Act, the National Environmental Policy Act, the Toxic Substances Control Act, and Resources Conservation and Recovery Act, national restrictions on technology transfer, import, export, and customs regulations, and other present and possible future local, state, or federal regulation. The extent of governmental regulation which might result from future legislation or administrative action cannot be accurately predicted.

## Manufacturing

The FDA requires that any drug or formulation to be tested in humans be manufactured in accordance with its Good Manufacturing Practices (GMP) regulations. This has been extended to include any drug which will be tested for safety in animals in support of human testing. The GMPs set certain minimum requirements for procedures, record-keeping, and the physical characteristics of the laboratories used in the production of these drugs.

We have entered into a Long Term Vaccine Supply Agreement with Cobra Biomanufacturing PLC for the purpose of manufacturing our vaccines. Cobra has extensive experience in manufacturing gene therapy products for investigational studies. Cobra is a full service manufacturing organization that manufactures and supplies DNA-based therapeutics for the pharmaceutical and biotech industry. These services include the GMP manufacturing of DNA, recombinant protein, viruses, mammalian cells products and cell banking. Cobra's manufacturing plan for us calls for several manufacturing stages, including process development, manufacturing of non-GMP material for toxicology studies and manufacturing of GMP material for the Phase I and Phase II trial.

## Competition

The biotechnology and biopharmaceutical industries are characterized by rapid technological developments and a high degree of competition. As a result, our actual or proposed products could become obsolete before we recoup any portion of our related research and development and commercialization expenses. The biotechnology and biopharmaceutical industries are highly competitive, and this competition comes from both from biotechnology firms and from major pharmaceutical and chemical companies, including Antigenics, Inc., Avi BioPharma, Inc., Biomira, Inc., Cellgenesis Inc., Biovest International, Cell Genesys, Inc., Cerus Corporation, Dendreon Corporation, Epimmune, Inc., Genzyme Corp., Progenics Pharmaceuticals, Inc., and Vical Incorporated each of which is pursuing cancer vaccines. Many of these companies have substantially greater financial, marketing, and human resources than we do (including, in some cases, substantially greater experience in clinical testing, manufacturing, and marketing of pharmaceutical products). We also experience competition in the development of our products from universities and other research institutions and compete with others in acquiring technology from such universities and institutions. In addition, certain of our products may be subject to competition from products developed using other technologies, some of which have completed numerous clinical trials.

We expect that our products under development and in clinical trials will address major markets within the cancer sector. Our competition will be determined in part by the potential indications for which drugs are developed and ultimately approved by regulatory authorities. Additionally, the timing of market introduction of some of our potential products or of competitors' products may be an important competitive factor. Accordingly, the relative speed with which we can develop products, complete preclinical testing, clinical trials and approval processes and supply commercial quantities to market are expected to be important competitive factors. We expect that competition among products approved for sale will be based on various factors, including product efficacy, safety, reliability, availability, price and patent position. See "Item 1. Description of Business - Research and Development Programs" and "Item 1. Description of Business - Competition".

We have become aware of a public company, Cerus Corporation, which has issued a press release claiming to have a proprietary *Listeria* -based approach to a cancer vaccine. We believe that through our exclusive license with Penn, we have earlier priority filing dates of certain applications and a dominant patent position for the use of recombinant *Listeria* monocytogenes expressing proteins or tumor antigens as a vaccine for the treatment of infectious diseases and tumors. Based on searches of publicly available databases, we do not believe that Cerus or The University of California Berkeley (which is where Cerus' consulting scientist works) or any other third party owns any published *Listeria* patents or has any issued patent claims that might materially negatively affect our freedom to operate our business as currently contemplated in the field of recombinant *Listeria* monocytogenes.

Cerus has filed an opposition against European Patent Application Number 0790835 (EP 835 Patent) which was granted by the European Patent Office and which is assigned to The Trustees of the University of Pennsylvania and exclusively licensed to us. Cerus' allegations in the Opposition are that the EP 835 Patent, which claims a vaccine for inducing a tumor specific antigen with a recombinant live *Listeria*, is deficient because of (i) insufficient disclosure in the specifications of the granted claims, (ii) the inclusion of additional subject matter in the granted claims, and (iii) a lack of inventive steps of the granted claims of the EP 835 Patent.

On November 29, 2006, following oral proceedings, the Opposition Division of the European Patent Office determined that the claims of the patent as granted should be revoked due to lack of inventive step under European Patent Office rules based on certain prior art publications. This decision has no material effect upon our ability to conduct business as currently contemplated, as this patent does not affect the manner in which Advaxis makes or uses its vaccine products but would preclude Cerus from using certain methodologies they require.

We have reviewed the formal written decision and filed an appeal on May 29, 2007. As of December 31, 2007 no ruling has been made. There is no assurance that we will be successful. If such ruling is upheld on appeal, our patent position in Europe may be eroded. The likely result of this decision will be increased competition for us in the European market for recombinant live *Listeria* based vaccines for tumor specific antigens. Regardless of the outcome, we believe that our freedom to operate in Europe, or any other territory, for recombinant live *Listeria* based vaccine for tumor specific antigen products will not be diminished.

For more information about Cerus Corporation and its claims with respect to *Listeria* -based technology, you should visit their web site at [www.cerus.com](http://www.cerus.com) or to view it's publicly filed documents.

### **Scientific Advisory Board**

We maintain a scientific advisory board consisting of internationally recognized scientists who advise us on scientific and technical aspects of our business. The scientific advisory board meets periodically to review specific projects and to assess the value of new technologies and developments to us. In addition, individual members of the scientific advisory board meet with us periodically to provide advice in particular areas of expertise. The scientific advisory board consists of the following members, information with respect to whom is set forth below: Yvonne Paterson, Ph.D.; Carl June, M.D.; Pramod Srivastava, Ph.D.; Bennett Lorber, M.D. and David Weiner, Ph.D.

*Dr. Yvonne Paterson.* For a description of our relationship with Dr. Paterson, please see above.

*Carl June, M.D.* Dr. June is currently Director of Translational Research at the Abramson Cancer Center at Penn, and is an Investigator of the Abramson Family Cancer Research Institute. He is a graduate of the Naval Academy in Annapolis, and Baylor College of Medicine in Houston. He had graduate training in immunology and malaria with Dr. Paul-Henri Lambert at the World Health Organization, Geneva, Switzerland from 1978 to 1979, and post-doctoral training in transplantation biology with Dr. E. Donnell Thomas at the Fred Hutchinson Cancer Research Center in Seattle from 1983 to 1986. He is board certified in Internal Medicine and Medical Oncology. Dr. June founded the Immune Cell Biology Program and was head of the Department of Immunology at the Naval Medical Research Institute from 1990 to 1995. Dr. June rose to Professor in the Departments of Medicine and Cell and Molecular Biology at the Uniformed Services University for the Health Sciences in Bethesda, Maryland before assuming his current positions as of February 1, 1999. Dr. June maintains a research laboratory that studies various mechanisms of lymphocyte activation that relate to immune tolerance and adoptive immunotherapy.

*Pramod Srivastava, Ph.D.* Dr. Srivastava is Professor of Immunology at the University of Connecticut School of Medicine, where he is also Director of the Center for Immunotherapy of Cancer and Infectious Diseases. He holds the Physicians Health Services Chair in Cancer Immunology at the University. Professor Srivastava is the Scientific Founder of Antigenics, Inc. He serves on the Scientific Advisory Council of the Cancer Research Institute, New York, and was a member of the Experimental Immunology Study Section of the National Institutes of Health of the U.S. Government (1994 to 1999). He serves presently on the Board of Directors of two privately held companies: Ikonisys (New Haven, Connecticut) and CambriaTech (Lugano, Switzerland). In 1997, he was inducted into the Roll of Honor of the International Union Against Cancer and was listed in Who's Who in Science and Engineering. He is among the 20 founding members of the Academy of Cancer Immunology, New York. Dr. Srivastava obtained his bachelor's degree in biology and chemistry and a master's degree in botany (paleontology) from the University of Allahabad, India. He then studied yeast genetics at Osaka University, Japan. He completed his Ph.D. in biochemistry at the Center for Cellular and Molecular Biology, Hyderabad, India, where he began his work on tumor immunity, including identification of the first proteins that can mediate tumor rejection. He trained at Yale University and Sloan-Kettering Institute for Cancer Research. Dr. Srivastava has held faculty positions at the Mount Sinai School of Medicine and Fordham University in New York City.

*Bennett Lorber, M.D.* Dr. Lorber attended Swarthmore College where he studied zoology and art history. He graduated from the University of Pennsylvania School of Medicine and did his residency in internal medicine and fellowship in infectious diseases at Temple University, following which he joined the Temple faculty. At Temple he rose through the ranks to become Professor of Medicine and, in 1988, was named the first recipient of the Thomas Durant Chair in Medicine. He is also a Professor of Microbiology and Immunology and serves as the Chief of the Section of Infectious Diseases. He is a Fellow of the American College of Physicians, a Fellow of the Infectious Diseases Society of America, and a Fellow of the College of Physicians of Philadelphia where he serves as College Secretary and as a member of the Board of Trustees. Dr. Lorber's major interest in infectious diseases is in human listeriosis, an area in which he is regarded as an international authority. He has also been interested in the impact of societal changes on infectious disease patterns as well the relationship between infectious agents and chronic illness, and he has authored papers exploring these associations. He has been repeatedly honored for his teaching; among his honors are 10 golden apples, the Temple University Great Teacher Award, the Clinical Practice Award from the Pennsylvania College of Internal Medicine, and the Bristol Award from the Infectious Diseases Society of America. On two occasions the graduating medical school class dedicated their yearbook to Dr. Lorber. In 1996 he was the recipient of an honorary Doctor of Science degree from Swarthmore College.

*David B. Weiner, Ph.D.* Dr. David Weiner received his B.S in Biology from the State University of New York and performed undergraduate research in the Department of Microbiology, Chaired by Dr. Arnie Levine, at Stony Brook University. He completed his MS. and Ph.D. in Developmental Biology/Immunology from the Children's Hospital Research Foundation at the University of Cincinnati in 1986. He completed his Post Doctoral Fellowship in the Department of Pathology at the University of Pennsylvania in 1989, under the direction of Dr. Mark Greene. At that time he joined the Faculty at the Wistar Institute in Philadelphia. He was recruited back to the University of Pennsylvania in 1994. He is currently an Associate Professor with Tenure in the Department of Pathology, and he is the Associate Chair of the Gene Therapy and Vaccines Graduate Program at the University of Pennsylvania. Of relevance during his career he has worked extensively in the areas of molecular immunology, the development of vaccines and vaccine technology for infectious diseases and in the area of molecular oncology and immune therapy. His laboratory is considered one of the founders of the field of DNA vaccines as his group not only was the first to report on the use of this technology for vaccines against HIV, but was also the first group to advance DNA vaccine technology to clinical evaluation. In addition he has worked on the identification of novel approaches to inhibit HIV infection by targeting the accessory gene functions of the virus. Dr. Weiner has authored over 260 articles in peer reviewed journals and is the author of 28+ awarded US patents as well as their international counterparts. He has served and still serves on many national and international review boards and panels including NIH Study section, WHO advisory panels, the NIBSC, Department of Veterans Affairs Scientific Review Panel, as well as the FDA Advisory panel - CEBR, and AACTG among others. He also serves or has served in an advisory capacity to several Biotechnology and Pharmaceutical Companies. Dr. Weiner has, through training of young people in his laboratory, advanced over 35 undergraduate scientists to Medical School or Doctoral Programs and has trained 28 Post Doctoral Fellows and 7 Doctoral Candidates as well as served on 14 Doctoral Student Committees.

## **Employees**

As of October 31, 2007, we employ nine employees, all of whom are on a full-time basis. Of these nine employees eight employees hold the following degrees: 1 MD/PhD, 4 PhD's 1 MS & 2 BS and five serve in the research and one serves in the clinical development area and three serve in the general and administration area.

Our Chairman and Chief Executive Officer, Mr. Tom Moore joined our company on December 15, 2006. Mr. Roni Appel previously served as our President and Chief Executive Officer during the fiscal year 2006 resigned from this position on December 15, 2006. Mr. Appel still serves as a board of director member and remains as consultant to the company until December 15, 2007.

Dr. John Rothman our Vice President of Clinical and Officer joined the company on March 7, 2005. Fred Cobb our Vice President, Finance and Principal Financial Officer joined the company on February 20, 2006. Doctor Vafa Shahabi our Director of Research and Development joined the company on March 1, 2005. Two of our Senior Scientists joined the company from Doctor Paterson's lab at Penn.

We anticipate increasing the number of employees in the clinical area and the research and development area to support clinical requirements, and in the general and administrative and business development areas over the next two years.

## **Compensation of Officers and Directors**

The aggregate compensation paid to our directors and executive officers, including stock based compensation option value and other compensation for the twelve months ended October 31, 2005, 2006 and 2007 was approximately \$715,583, \$970,669 and \$2,071,941, respectively. This amount has no amounts set aside or accrued to provide pension, severance, retirement, or similar benefits or expenses, and does not include business travel, relocation, professional and business association dues and expenses reimbursed to office holders and other benefits commonly reimbursed or paid by similarly situated companies. With the exception of Mr. Berman who receives \$2,000 a month in company stock at a set price of \$0.50 per share, none of our directors so far has received any compensation for his services as a director other than stock options and reimbursement of expenses.

## **Compensation Committee Interlocks And Insider Participation**

There were no interlocking relationships between us and other entities that might affect the determination of the compensation of its directors and executive officers.

## RISK FACTORS

### Risks Specific to Us

#### **We are a development stage company.**

We are an early stage development stage company with a history of losses and can provide no assurance as to future operating results. As a result of losses which will continue throughout our development stage, we may exhaust our financial resources and be unable to complete the development of our production. Our deficit will continue to grow during our drug development period.

We have sustained losses from operations in each fiscal year since our inception, and losses are expected to continue, due to the substantial investment in research and development, for the next five to ten or more years. At October 31, 2007, we had an accumulated deficit of \$12,072,742 and stockholders' equity of \$4,267,979. We expect to spend substantial additional sums on the continued research and development of proprietary products and technologies with no certainty that our products will become commercially viable or profitable as a result of these expenditures.

#### **We will require substantial additional financing in order to meet our business objectives.**

Although we believe that the net proceeds received from private placements including our October 2007 offering of shares of our common stock and warrants, will be sufficient to finance our currently-planned operations through the third fiscal Quarter 2008, they will not be sufficient to meet the full fiscal year 2008 nor, our longer-term cash requirements or cash requirements for the commercialization of certain products currently in development. We will be required to sell additional equity or debt securities or enter into other financial arrangements, including relationships with corporate and other partners, to raise substantial additional capital during the five-to ten-year period of product development and the FDA testing through Phase III testing. Depending upon market conditions, we may not be successful in raising sufficient additional capital for our long-term requirements. If we fail to raise sufficient additional financing, we will not be able to develop our product candidates, we will be required to reduce staff, reduce or eliminate research and development, slow the development of our product candidates and outsource or eliminate several business functions. Even if we are successful in raising such additional financing, we may not be able to successfully complete planned clinical trials, development, and marketing of all, or of any, of our product candidates. In such event, our business, prospects, financial condition and results of operations could be materially adversely affected. We may be required to reduce our staff, discontinue certain research or development programs of our future products, and cease to operate. We may not be able to conduct our clinical trial for Lovaxin C. See "Management's Discussion and Analysis and Results of Operations."

#### **Our limited operating history does not afford investors a sufficient history on which to base an investment decision.**

We commenced our *Listeria* System vaccine development business in February 2002 and have existed as a development stage company since such time. Prior thereto we conducted no business. Accordingly, we have a limited operating history. Investors must consider the risks and difficulties we have encountered in the rapidly evolving vaccine and therapeutic biopharmaceutical industry. Such risks include the following:

- competition from companies that have substantially greater assets and financial resources than we have;
- need for acceptance of products;
- ability to anticipate and adapt to a competitive market and rapid technological developments;
- amount and timing of operating costs and capital expenditures relating to expansion of our business, operations and infrastructure;
- need to rely on multiple levels of outside funding due to the length of the product development cycles and governmental approved protocols associated with the pharmaceutical industry; and
- dependence upon key personnel including key independent consultants and advisors.

We cannot be certain that our strategy will be successful or that we will successfully address these risks. In the event that we do not successfully address these risks, our business, prospects, financial condition and results of operations could be materially and adversely affected. We may be required to reduce our staff, discontinue certain research or development programs of our future products, and cease to operate. We may not be able to conduct our next Lovaxin C clinical trial.

### **We can provide no assurance of the successful and timely development of new products.**

Our products are at various stages of research and development. Further development and extensive testing will be required to determine their technical feasibility and commercial viability. Our success will depend on our ability to achieve scientific and technological advances and to translate such advances into reliable, commercially competitive products on a timely basis. Immunotherapy and vaccine products that we may develop are not likely to be commercially available until five to ten or more years. The proposed development schedules for our products may be affected by a variety of factors, including technological difficulties, proprietary technology of others, and changes in governmental regulation, many of which will not be within our control. Any delay in the development, introduction or marketing of our products could result either in such products being marketed at a time when their cost and performance characteristics would not be competitive in the marketplace or in the shortening of their commercial lives. In light of the long-term nature of our projects, the unproven technology involved and the other factors described elsewhere in “Risk Factors,” there can be no assurance that we will be able to complete successfully the development or marketing of any new products. See “Item 1. Description of Business - Research and Development Program.”

### **Our research and development expenses are subject to uncertainty.**

Factors affecting our research and development (R&D) expenses include, but are not limited to:

- competition from companies that have substantially greater assets and financial resources than we have;
- need for acceptance of products;
- ability to anticipate and adapt to a competitive market and rapid technological developments;
- amount and timing of operating costs and capital expenditures relating to expansion of our business, operations and infrastructure;
- need to rely on multiple levels of outside funding due to the length of the product development cycles and governmental approved protocols associated with the pharmaceutical industry; and
- dependence upon key personnel including key independent consultants and advisors.

### **We are subject to numerous risks inherent in conducting clinical trials.**

We must outsource our clinical trials and are in the process of negotiating with third parties to manage and execute our next trial. We are not certain that we will successfully conclude our recruitment for the completion of our next clinical trials. Delay in concluding recruitment and such agreements would delay the initiation of the Phase II Trial of Lovaxin C.

Agreements with clinical investigators and medical institutions for clinical testing and with other third parties for data management services place substantial responsibilities on these parties, which could result in delays in, or termination of, our clinical trials if these parties fail to perform as expected. For example, if any of our clinical trial sites fail to comply with FDA-approved good clinical practices, we may be unable to use the data gathered at those sites. If these clinical investigators, medical institutions or other third parties do not carry out their contractual duties or obligations or fail to meet expected deadlines, or if the quality or accuracy of the clinical data they obtain is compromised due to their failure to adhere to our clinical protocols or for other reasons, our clinical trials may be extended, delayed or terminated, and we may be unable to obtain regulatory approval for or successfully commercialize Lovaxin C.

We or our regulators may suspend or terminate our clinical trials for a number of reasons. We may voluntarily suspend or terminate our clinical trials if at any time we believe that they present an unacceptable risk to the patients enrolled in our clinical trials. In addition, regulatory agencies may order the temporary or permanent discontinuation of our clinical trials at any time if they believe that the clinical trials are not being conducted in accordance with applicable regulatory requirements or that they present an unacceptable safety risk to the patients enrolled in our clinical trials.

Our clinical trial operations are subject to regulatory inspections at any time. If regulatory inspectors conclude that we or our clinical trial sites are not in compliance with applicable regulatory requirements for conducting clinical trials, we may receive reports of observations or warning letters detailing deficiencies, and we will be required to implement corrective actions. If regulatory agencies deem our responses to be inadequate, or are dissatisfied with the corrective actions we or our clinical trial sites have implemented, our clinical trials may be temporarily or permanently discontinued, we may be fined, we or our investigators may be precluded from conducting any ongoing or any future clinical trials, the government may refuse to approve our marketing applications or allow us to manufacture or market our products, and we may be criminally prosecuted.

### **The successful development of biopharmaceuticals is highly uncertain.**

Successful development of biopharmaceuticals is highly uncertain and is dependent on numerous factors, many of which are beyond our control. Products that appear promising in the early phases of development may fail to reach the market for several reasons including:

- Preclinical study results that may show the product to be less effective than desired (e.g., the study failed to meet its primary objectives) or to have harmful or problematic side effects;
- Failure to receive the necessary regulatory approvals or a delay in receiving such approvals. Among other things, such delays may be caused by slow enrollment in clinical studies, length of time to achieve study endpoints, additional time requirements for data analysis, or BLA preparation, discussions with the FDA, an FDA request for additional preclinical or clinical data, or unexpected safety or manufacturing issues.
- Manufacturing costs, formulation issues, pricing or reimbursement issues, or other factors that make the product uneconomical; and
- The proprietary rights of others and their competing products and technologies that may prevent the product from being commercialized.

Success in preclinical and early clinical studies does not ensure that large-scale clinical studies will be successful. Clinical results are frequently susceptible to varying interpretations that may delay, limit or prevent regulatory approvals. The length of time necessary to complete clinical studies and to submit an application for marketing approval for a final decision by a regulatory authority varies significantly from one product to the next, and may be difficult to predict.

### **We must comply with significant government regulations.**

The research and development, manufacture and marketing of human therapeutic and diagnostic products are subject to regulation, primarily by the FDA in the United States and by comparable authorities in other countries. These national agencies and other federal, state, local and foreign entities regulate, among other things, research and development activities (including testing in animals and in humans) and the testing, manufacturing, handling, labeling, storage, record keeping, approval, advertising and promotion of the products that we are developing. Noncompliance with applicable requirements can result in various adverse consequences, including delay in approving or refusal to approve product licenses or other applications, suspension or termination of clinical investigations, revocation of approvals previously granted, fines, criminal prosecution, recall or seizure of products, injunctions against shipping products and total or partial suspension of production and/or refusal to allow a company to enter into governmental supply contracts.

The process of obtaining requisite FDA approval has historically been costly and time-consuming. Current FDA requirements for a new human drug or biological product to be marketed in the United States include: (1) the successful conclusion of preclinical laboratory and animal tests, if appropriate, to gain preliminary information on the product's safety; (2) filing with the FDA of an Investigational New Drug Application, or IND, to conduct human clinical trials for drugs or biologics; (3) the successful completion of adequate and well-controlled human clinical investigations to establish the safety and efficacy of the product for its recommended use; and (4) filing by a Company and acceptance and approval by the FDA of a New Drug Application, or NDA, for a drug product or a "BLA" for a biological product to allow commercial distribution of the drug or biologic. A delay in one or more of the procedural steps outlined above could be harmful to us in terms of getting our product candidates through clinical testing and to market.

In 2007, we completed a phase I/II trial of Lovaxin C that demonstrated both safe doses and a dosage ceiling in end-state cervical cancer patients. Based in part upon this work, we intend to open a U.S. IND in early 2008; however no assurances can be provided that such an IND will be granted by the FDA.

### **We can provide no assurance that our products will obtain regulatory approval or that the results of clinical studies will be favorable.**

We received in February 2006 permission from the appropriate governmental agencies in Israel, Mexico and Serbia to conduct in those countries Phase I clinical testing of *Lovaxin C*, our Listeria-based cancer vaccine that targets cervical cancer in women. The study was completed in the fourth fiscal quarter of 2007. However, the testing, marketing and manufacturing of any product for sale or distribution in the United States will require filing of an IND with and the approval of the FDA. We cannot predict with any certainty the amount of time necessary to obtain such FDA approval or further approval, if any, from Israel, Mexico or Serbia and whether any such approval will ultimately be granted. Preclinical and clinical trials may reveal that one or more products is ineffective or unsafe, in which event further development of such products could be seriously delayed or terminated. Moreover, obtaining approval for certain products may require the testing on human subjects of substances whose effects on humans are not fully understood or documented. Delays in obtaining FDA or any other necessary regulatory approvals of any proposed product and failure to receive such approvals would have an adverse effect on the product's potential commercial success and on our business, prospects, financial condition and results of operations. In addition, it is possible that a product may be found to be ineffective or unsafe due to conditions or facts which arise after development has been completed and regulatory approvals have been obtained. In this event, we may be required to withdraw such product from the market. To the extent that our success will depend on any regulatory approvals from governmental authorities outside of the United States that perform roles similar to that of the FDA, uncertainties similar to those stated above will also exist. See "Item 1. Description of Business - Governmental Regulation."

**We rely upon patents to protect our technology. We may be unable to protect our intellectual property rights and we may be liable for infringing the intellectual property rights of others.**

Our ability to compete effectively will depend on our ability to maintain the proprietary nature of our technologies, including the *Listeria* System, and the proprietary technology of others with which we have entered into licensing agreements. We have licensed twelve patents that have been issued and thirty-nine patents are pending from Penn. Further, we rely on a combination of trade secrets and nondisclosure, and other contractual agreements and technical measures to protect our rights in the technology. We depend upon confidentiality agreements with our officers, employees, consultants, and subcontractors to maintain the proprietary nature of the technology. These measures may not afford us sufficient or complete protection, and others may independently develop technology similar to ours, otherwise avoid the confidentiality agreements, or produce patents that would materially and adversely affect our business, prospects, financial condition, and results of operations. Such competitive events, technologies and patents may limit our ability to raise funds, prevent other companies from collaborating with us, and in certain cases prevent us from further developing our technology due to third party patent blocking rights.

We believe that our technology and the technology licensed from Penn do not infringe the rights of others; however, we cannot assure you that the technology licensed from Penn will not, in the future be found to infringe upon the rights of others. We have become aware of a public company, Cerus Corporation, which has issued a press release claiming to have a proprietary *Listeria* -based approach to a cancer vaccine. We believe that through our exclusive license with Penn, we have earlier priority filing dates of certain applications and a dominant patent position for the use of recombinant *Listeria* monocytogenes expressing proteins or tumor antigens as a vaccine for the treatment of infectious diseases and tumors. Based on searches of publicly available databases, we do not believe that Cerus or The University of California Berkeley (with whom Cerus' consulting scientist is affiliated) or any other third party owns any published *Listeria* patents or has any issued patent claims that might, if we fail our Cerus appeal, materially negatively affect our freedom to operate our business as currently contemplated in the field of recombinant *Listeria* monocytogenes.

Cerus has filed an opposition against European Patent Application Number 0790835 (EP 835 Patent), which was granted by the European Patent Office and which is assigned to The Trustees of the University of Pennsylvania and exclusively licensed to us. Cerus' allegations in the Opposition are that the EP 835 Patent, which claims a vaccine for inducing a tumor specific antigen with a recombinant live *Listeria*, is deficient because of insufficient disclosure in the specifications of the granted claims, the inclusion of additional subject matter in the granted claims, and a lack of inventive steps of the granted claims of the EP 835 Patent. We appealed this decision.

On November 29, 2006, following oral proceedings, the Opposition Division of the European Patent Office determined that the claims of the patent as granted should be revoked due to lack of inventive step under European Patent Office rules based on certain prior art publications. This decision has no material effect upon our ability to conduct business as currently contemplated.

We have reviewed the formal written decision and filed an appeal on May 29, 2007. As of December 31, 2007 no ruling has been made. There is no assurance that we will be successful. If such ruling is upheld on appeal, our patent position in Europe may be eroded. The likely result of this decision will be increased competition for us in the European market for recombinant live *Listeria* based vaccines for tumor specific antigens. Regardless of the outcome, we believe that our freedom to operate in Europe, or any other territory, for recombinant live *Listeria* based vaccine for tumor specific antigen products will not be diminished.

As of November 20, 2007, Cerus spun its immunotherapy development efforts off into a privately financed company.

Others may assert infringement claims against us, and should we be found to infringe upon their patents, or otherwise impermissibly utilize their intellectual property, our ability to continue to use our technology or the licensed technology could be materially restricted or prohibited. If this event occurs, we may be required to obtain licenses from the holders of our intellectual property, enter into royalty agreements or redesign our products so as not to utilize this intellectual property, each of which may prove to be uneconomical or otherwise impossible. Licenses or royalty agreements required in order for us to use this technology may not be available on acceptable terms, or at all. These claims could result in litigation, which could materially adversely affect our business, prospects, financial condition and results of operations. Such competitive events, technologies and patents may limit our ability to raise funds, prevent other companies from collaborating with us, and in certain cases prevent us from further developing our technology due to third party patent blocking right. See “Item 1. Description of Business—Patents and Licenses.”

**We are dependent upon our license agreement with Penn, as well as proprietary technology of others.**

The manufacture and sale of any products developed by us will involve the use of processes, products or information, the rights to certain of which are owned by others. Although we have obtained licenses with regard to the use of Penn’s patents as described herein and certain of such processes, products and information of others, we can provide no assurance that such licenses will not be terminated or expire during critical periods, that we will be able to obtain licenses for other rights which may be important to us, or, if obtained, that such licenses will be obtained on commercially reasonable terms.

If we are unable to maintain and/or obtain licenses, we may have to develop alternatives to avoid infringing or the patents of others, potentially causing increased costs and delays in product development and introduction or preclude the development, manufacture, or sale of planned products. Some of our licenses provide for limited periods of exclusivity that require minimum license fees and payments and/or may be extended only with the consent of the licensor. We can provide no assurance that we will be able to meet these minimum license fees in the future or that these third parties will grant extensions on any or all such licenses. This same restriction may be contained in licenses obtained in the future. Additionally, we can provide no assurance that the patents underlying any licenses will be valid and enforceable. Furthermore, in 2001, an issue arose regarding the inventorship of U.S. Patent 6,565,852 and U.S. Patent Application No. 09/537,642. These patent rights are included in the patent rights licensed by us from Penn. GSK, Penn and we expect that the issue will be resolved through a correction of inventorship to add certain GSK inventors, where necessary and appropriate, an assignment of GSK’s possible rights under these patent rights to Penn, and a sublicense from us to GSK of certain subject matter, which is not central to our business plan. To date, this arrangement has not been finalized and we cannot assure that this issue will ultimately be resolved in the manner described above. See “Item 1. Description of Business - Patents and Licenses.” To the extent any products developed by us are based on licensed technology, royalty payments on the licenses will reduce our gross profit from such product sales and may render the sales of such products uneconomical. See “Item 1. Description of Business -Partnerships and Agreements - Penn.”

**We have no manufacturing, sales, marketing or distribution capability and we must rely upon third parties for such.**

We do not intend to create facilities to manufacture our products and therefore are dependent upon third parties to do so. We currently have an agreement with Cobra Manufacturing for production of our immunotherapies and vaccines for research and development and testing purposes. Our reliance on third parties for the manufacture of our products creates a dependency that could severely disrupt our research and development, our clinical testing, and ultimately our sales and marketing efforts if the source of such supply proves to be unreliable or unavailable. If the contracted manufacturing source is unreliable or unavailable, we may not be able to replace the development of our product candidates, including the clinical testing program, could not go forward and our entire business plan could fail.

**If we are unable to establish or manage strategic collaborations in the future, our revenue and product development may be limited.**

Our strategy includes eventual substantial reliance upon strategic collaborations for marketing and commercialization of Lovaxin C, and we may rely even more on strategic collaborations for research, development, marketing and commercialization of our other product candidates. To date, we have not entered into any strategic collaborations with third parties capable of providing these services although we have been heavily reliant upon third party outsourcing for our research and development activities. In addition, we have not yet marketed or sold any of our product candidates or entered into successful collaborations for these services in order to ultimately commercialize our product candidates. Establishing strategic collaborations is difficult and time-consuming. Our discussion with potential collaborators may not lead to the establishment of collaborations on favorable terms, if at all. For example, potential collaborators may reject collaborations based upon their assessment of our financial, regulatory or intellectual property position. If we successfully establish new collaborations, these relationships may never result in the successful development or commercialization of our product candidates or the generation of sales revenue. To the extent that we enter into co-promotion or other collaborative arrangements, our product revenues are likely to be lower than if we directly marketed and sold any products that we may develop.

Management of our relationships with our collaborators will require:

- significant time and effort from our management team;
- coordination of our research and development programs with the research and development priorities of our collaborators; and
- effective allocation of our resources to multiple projects.

If we continue to enter into research and development collaborations at the early phases of product development, our success will in part depend on the performance of our corporate collaborators. We will not directly control the amount or timing of resources devoted by our corporate collaborators to activities related to our product candidates. Our corporate collaborators may not commit sufficient resources to our research and development programs or the commercialization, marketing or distribution of our product candidates. If any corporate collaborator fails to commit sufficient resources, our preclinical or clinical development programs related to this collaboration could be delayed or terminated. Also, our collaborators may pursue existing or other development-stage products or alternative technologies in preference to those being developed in collaboration with us. Finally, if we fail to make required milestone or royalty payments to our collaborators or to observe other obligations in our agreements with them, our collaborators may have the right to terminate those agreements.

**We may incur substantial liabilities from any product liability claims if our insurance coverage for those claims is inadequate.**

We face an inherent risk of product liability exposure related to the testing of our product candidates in human clinical trials, and will face an even greater risk if the product candidates are sold commercially. An individual may bring a liability claim against us if one of the product candidates causes, or merely appears to have caused, an injury. If we cannot successfully defend ourselves against the product liability claim, we will incur substantial liabilities. Regardless of merit or eventual outcome, liability claims may result in:

- decreased demand for our product candidates,
- injury to our reputation,
- withdrawal of clinical trial participants,
- costs of related litigation,
- substantial monetary awards to patients or other claimants,
- loss of revenues,
- the inability to commercialize product candidates, and
- increased difficulty in raising required additional funds in the private and public capital markets.

We currently have insurance covering our clinical trial sites. We do not have product liability insurance because we do not have products on the market. We intend to obtain insurance coverage and to expand such coverage to include the sale of commercial products if marketing approval is obtained for any of our product candidates. However, insurance coverage is increasingly expensive. We may not be able to maintain insurance coverage at a reasonable cost and we may not be able to obtain insurance coverage that will be adequate to satisfy any liability that may arise.

**We may incur significant costs complying with environmental laws and regulations.**

We will use hazardous materials, including chemicals and biological agents and compounds that could be dangerous to human health and safety or the environment. As appropriate, we will store these materials and wastes resulting from their use at our or our outsourced laboratory facility pending their ultimate use or disposal. We will contract with a third party to properly dispose of these materials and wastes. We will be subject to a variety of federal, state and local laws and regulations governing the use, generation, manufacture, storage, handling and disposal of these materials and wastes. We may also incur significant costs complying with environmental laws and regulations adopted in the future.

**If we use biological and hazardous materials in a manner that causes injury, we may be liable for damages.**

Our research and development and manufacturing activities will involve the use of biological and hazardous materials. Although we believe our safety procedures for handling and disposing of these materials will comply with federal, state and local laws and regulations, we cannot entirely eliminate the risk of accidental injury or contamination from the use, storage, handling or disposal of these materials. We do not carry specific biological or hazardous waste insurance coverage, workers compensation or property and casualty and general liability insurance policies which include coverage for damages and fines arising from biological or hazardous waste exposure or contamination. Accordingly, in the event of contamination or injury, we could be held liable for damages or penalized with fines in an amount exceeding our resources, and our clinical trials or regulatory approvals could be suspended or terminated.

**We need to attract and retain highly skilled personnel; we may be unable to effectively manage growth with our limited resources.**

At the date of this report, we have nine employees. We intend to expand our operations and staff as needed. Our new employees may include key managerial, technical, financial, research and development and operations personnel who will not have been fully integrated into our operations. We expect the expansion of our business to place a significant strain on our limited managerial, operational and financial resources. We will be required to expand our operational and financial systems significantly and to expand, train and manage our work force in order to manage the expansion of our operations. Our failure to fully integrate our new employees into our operations could have a material adverse effect on our business, prospects, financial condition and results of operations. Our ability to attract and retain highly skilled personnel is critical to our operations and expansion. We face competition for these types of personnel from other technology companies and more established organizations, many of which have significantly larger operations and greater financial, technical, human and other resources than we have. We may not be successful in attracting and retaining qualified personnel on a timely basis, on competitive terms, or at all. If we are not successful in attracting and retaining these personnel, our business, prospects, financial condition and results of operations will be materially adversely affected. In such circumstances we may be unable to conduct certain research and development programs, unable to adequately manage our clinical trials of Lovaxin C and other products, and unable to adequately address our management needs. See “Item 6. Management’s Discussion and Analysis or Plan of Operations,” “Item 1. Description of Business - Strategy,” and “Item 1. Description of Business—Employees.”

**We depend upon our senior management and key consultants and their loss or unavailability could put us at a competitive disadvantage.**

We depend upon the efforts and abilities of our senior executives, as well as the services of several key consultants, including Yvonne Paterson, Ph.D. The loss or unavailability of the services of any of these individuals for any significant period of time could have a material adverse effect on our business, prospects, financial condition and results of operations. We have not obtained, do not own, nor are we the beneficiary of, key-person life insurance. See “Item 10. Executive Compensation—Employment Agreements.”

**Risks Related to the Biotechnology / Biopharmaceutical Industry**

**The biotechnology and biopharmaceutical industries are characterized by rapid technological developments and a high degree of competition. We may be unable to compete with more substantial enterprises.**

The biotechnology and biopharmaceutical industries are characterized by rapid technological developments and a high degree of competition. Competition in the biopharmaceutical industry is based significantly on scientific and technological factors. These factors include the availability of patent and other protection for technology and products, the ability to commercialize technological developments and the ability to obtain governmental approval for testing, manufacturing and marketing. We compete with specialized biopharmaceutical firms in the United States, Europe and elsewhere, as well as a growing number of large pharmaceutical companies that are applying biotechnology to their operations. Many biopharmaceutical companies have focused their development efforts in the human therapeutics area, including cancer. Many major pharmaceutical companies have developed or acquired internal biotechnology capabilities or made commercial arrangements with other biopharmaceutical companies. These companies, as well as academic institutions and governmental agencies and private research organizations, also compete with us in recruiting and retaining highly qualified scientific personnel and consultants. Our ability to compete successfully with other companies in the pharmaceutical field will also depend to a considerable degree on the continuing availability of capital to us.

We are aware of certain products under development or manufactured by competitors that are used for the prevention, diagnosis, or treatment of certain diseases we have targeted for product development. Various companies are developing biopharmaceutical products that potentially directly compete with our product candidates even though their approach to such treatment is different. Several companies, such as Cerus Corporation, in particular, as well as Cell Genesys Inc., Antigenics, Inc., Avi BioPharma, Inc., Biomira, Inc., Biovest International, Dendreon Corporation, Epimmune, Inc., Genzyme Corp., Progenics Pharmaceuticals, Inc., Vical Incorporated, Xcyte Therapies, Inc. and other firms with more resources than we have are currently developing or testing immune therapeutic agents in the same indications we are targeting.

We expect that our products under development and in clinical trials will address major markets within the cancer sector with a superior technology that is both safer and more effective than our competitors. Our competition will be determined in part by the potential indications for which drugs are developed and ultimately approved by regulatory authorities. Additionally, the timing of market introduction of some of our potential products or of competitors' products may be an important competitive factor. Accordingly, the relative speed with which we can develop products, complete preclinical testing, clinical trials and approval processes and supply commercial quantities to market is expected to be important competitive factors. We expect that competition among products approved for sale will be based on various factors, including product efficacy, safety, reliability, availability, price and patent position. See "Item 1. Description of Business - Research and Development Programs" and "Item 1. Description of Business - Competition."

## **Risks Related to the Securities Markets and Investments in our Common Stock**

### **The price of our common stock may be volatile.**

The trading price of our common stock may fluctuate substantially. The price of the common stock that will prevail in the market after the sale of the shares of common stock by the selling stockholders may be higher or lower than the price you have paid, depending on many factors, some of which are beyond our control and may not be related to our operating performance. These fluctuations could cause you to lose part or all of your investment in our common stock. Those factors that could cause fluctuations include, but are not limited to, the following:

- price and volume fluctuations in the overall stock market from time to time;
- fluctuations in stock market prices and trading volumes of similar companies;
- actual or anticipated changes in our net loss or fluctuations in our operating results or in the expectations of securities analysts;
- general economic conditions and trends;
- major catastrophic events;
- sales of large blocks of our stock;
- departures of key personnel;
- changes in the regulatory status of our product candidates, including results of our clinical trials;
- events affecting Penn or any future collaborators;
- announcements of new products or technologies, commercial relationships or other events by us or our competitors;
- regulatory developments in the United States and other countries;
- failure of our common stock to be listed or quoted on the Nasdaq Stock Market, American Stock Exchange or other national market system;
- changes in accounting principles; and
- discussion of us or our stock price by the financial and scientific press and in online investor communities.

In the past, following periods of volatility in the market price of a company's securities, securities class action litigation has often been brought against that company. Due to the potential volatility of our stock price, we may therefore be the target of securities litigation in the future. Securities litigation could result in substantial costs and divert management's attention and resources from our business.

### **Our common stock is considered to be “penny stock.”**

Our common stock may be deemed to be “penny stock” as that term is defined in Rule 3a51-1, promulgated under the Exchange Act. Penny stocks are stocks:

- with a price of less than \$5.00 per share;
- that are not traded on a “recognized” national exchange;
- whose prices are not quoted on the NASDAQ automated quotation system; or
- of issuers with net tangible assets less than \$2,000,000 (if the issuer has been in continuous operation for at least three years) or \$5,000,000 (if in continuous operation for less than three years), or with average revenue of less than \$6,000,000 for the last three years.

Section 15(g) of the Exchange Act and Rule 15g-2 promulgated thereunder require broker-dealers dealing in penny stocks to provide potential investors with a document disclosing the risks of penny stocks and to obtain a manually signed and dated written receipt of the document before effecting any transaction in a “penny stock” for the investor’s account. We urge potential investors to obtain and read this disclosure carefully before purchasing any shares that are deemed to be “penny stock.”

Rule 15g-9 promulgated under the Exchange Act requires broker-dealers in penny stocks to approve the account of any investor for transactions in such stocks before selling any “penny stock” to that investor. This procedure requires the broker-dealer to:

- obtain from the investor information about his or her financial situation, investment experience and investment objectives;
- reasonably determine, based on that information, that transactions in penny stocks are suitable for the investor and that the investor has enough knowledge and experience to be able to evaluate the risks of “penny stock” transactions;
- provide the investor with a written statement setting forth the basis on which the broker-dealer made his or her determination; and
- receive a signed and dated copy of the statement from the investor, confirming that it accurately reflects the investor’s financial situation, investment experience and investment objectives.

Compliance with these requirements may make it harder for investors in our common stock to resell their shares to third parties. Accordingly, our common stock should only be purchased by investors, who understand that such investment is a long-term and illiquid investment, and are capable of and prepared to bear the risk of holding the common stock for an indefinite period of time.

### **A limited public trading market may cause volatility in the price of our common stock.**

Our common stock began trading on the OTC:BB on July 28, 2005 and is quoted under the symbol ADXS.OB. The quotation of our common stock on the OTC: BB does not assure that a meaningful, consistent and liquid trading market currently exists, and in recent years such market has experience extreme price and volume fluctuations that have particularly affected the market prices of many smaller companies like us. Our common stock is thus subject to this volatility. Sales of substantial amounts of common stock, or the perception that such sales might occur, could adversely affect prevailing market prices of our common stock and our stock price may decline substantially in a short time and our shareholders could suffer losses or be unable to liquidate their holdings. Our stock is thinly traded due to the limited number of shares available for trading on the market thus causing large swings in price.

### **There is no assurance of an established public trading market.**

A regular trading market for our common stock may not be sustained in the future. The effect on the OTC:BB of these rule changes and other proposed changes cannot be determined at this time. The OTC:BB is an inter-dealer, over-the-counter market that provides significantly less liquidity than the NASDAQ Stock Market. Quotes for stocks included on the OTC:BB are not listed in the financial sections of newspapers as are those for the NASDAQ Stock Market. Therefore, prices for securities traded solely on the OTC:BB may be difficult to obtain and holders of common stock may be unable to resell their securities at or near their original offering price or at any price. Market prices for our common stock will be influenced by a number of factors, including:

- The issuance of new equity securities pursuant to a future offering;

- Changes in interest rates;
- Competitive developments, including announcements by competitors of new products or services or significant contracts, acquisitions, strategic partnerships, joint ventures or capital commitments;
- Variations in quarterly operating results;
- Change in financial estimates by securities analysts;
- The depth and liquidity of the market for our common stock;
- Investor perceptions of our company and the technologies industries generally; and
- General economic and other national conditions.

Our common stock is quoted on the OTC:BB. In addition we are subject to a covenant to use our best efforts to apply to be listed on the American Stock Exchange or quoted on the Nasdaq National Stock Market.

**We may not be able to achieve secondary trading of our stock in certain states because our common stock is not nationally traded.**

Because our common stock is not approved for trading on the Nasdaq National Market or listed for trading on a national securities exchange, our common stock is subject to the securities laws of the various states and jurisdictions of the United States in addition to federal securities law. This regulation covers any primary offering we might attempt and all secondary trading by our stockholders. While we intend to take appropriate steps to register our common stock or qualify for exemptions for our common stock, in all of the states and jurisdictions of the United States, if we fail to do so, the investors in those jurisdictions where we have not taken such steps may not be allowed to purchase our stock or those who presently hold our stock may not be able to resell their shares without substantial effort and expense. These restrictions and potential costs could be significant burdens on our stockholders.

**If we fail to remain current on our reporting requirements, we could be removed from the OTC:BB, which would limit the ability of broker-dealers to sell our securities and the ability of stockholders to sell their securities in the secondary market.**

Companies trading on the OTC:BB, such as us, must be reporting issuers under Section 12 of the Exchange Act, as amended, and must be current in their reports under Section 13, in order to maintain price quotation privileges on the OTC:BB. If we fail to remain current on our reporting requirements, we could be removed from the OTC:BB. As a result, the market liquidity for our securities could be severely adversely affected by limiting the ability of broker-dealers to sell our securities and the ability of stockholders to sell their securities in the secondary market.

**We may be exposed to potential risks resulting from new requirements under Section 404 of the Sarbanes-Oxley Act of 2002.**

Pursuant to Section 404 of the Sarbanes-Oxley Act of 2002, we will be required, beginning with our year ending October 31, 2008, to include in our annual report our assessment of the effectiveness of our internal control over financial reporting for fiscal years ending on or after December 15, 2007. Furthermore, our independent registered public accounting firm will be required to attest to whether our assessment of the effectiveness of our internal control over financial reporting is fairly stated in all material respects and separately report on whether it believes we have maintained, in all material respects, effective internal control over financial reporting for fiscal years ending on or after December 15, 2008. We have not yet completed our assessment of the effectiveness of our internal control over financial reporting. We expect to incur additional expenses and diversion of management's time as a result of performing the system and process evaluation, testing and remediation required in order to comply with the management certification and auditor attestation requirements.

**Our executive officers, directors and principal stockholders control our business and may make decisions that are not in our best interests.**

Our officers, directors and principal stockholders, and their affiliates, in the aggregate, beneficially own, as of October 31, 2007, 14.7% of the outstanding shares of our common stock on a fully diluted basis. As a result, such persons, acting together, have the ability to substantially influence all matters submitted to our stockholders for approval, including the election and removal of directors and any merger, consolidation or sale of all or substantially all of our assets, and to control our management and affairs. Accordingly, such concentration of ownership may have the effect of delaying, deferring or preventing a change in discouraging a potential acquirer from making a tender offer or otherwise attempting to obtain control of our business, even if such a transaction would be beneficial to other stockholders.

**Sales of additional equity securities may adversely affect the market price of our common stock and your rights in us may be reduced.**

We expect to continue to incur product development and selling, general and administrative costs, and to satisfy our funding requirements, we will need to sell additional equity securities, which may be subject to registration rights. The sale or the proposed sale of substantial amounts of our common stock in the public markets may adversely affect the market price of our common stock and our stock price may decline substantially. Our stockholders may experience substantial dilution and a reduction in the price that they are able to obtain upon sale of their shares. Also, new equity securities issued may have greater rights, preferences or privileges than our existing common stock.

**Additional authorized shares of common stock available for issuance may adversely affect the market.**

We are authorized to issue 500,000,000 shares of our common stock. As of October 31, 2007, we had 107,957,977 shares of our common stock issued and outstanding, excluding shares issuable upon exercise of our outstanding warrants and options. As of October 31, 2007, we had outstanding 8,512,841 options to purchase shares of our common stock at a weighted exercise price of \$0.22 per share and outstanding warrants to purchase 84,380,437 shares of our common stock, with exercise prices ranging from \$0.195 to \$0.274 per share along with 3,333,333 warrants purchased for \$0.149 with an exercise price of \$0.001 per share. Pursuant to our 2004 Stock Option Plan, 2,381,525 shares of common stock are reserved for issuance under the plan. Pursuant to our 2005 Stock Option Plan, 5,600,000 shares of common stock are reserved for issuance under the plan. In addition, we have granted 1,001,399 options as non-plan options. To the extent the shares of common stock are issued or options and warrants are exercised, holders of our common stock will experience dilution. In addition, in the event of any future financing of equity securities or securities convertible into or exchangeable for, common stock, holders of our common stock may experience dilution.

**Shares eligible for future sale may adversely affect the market.**

Sales of a significant number of shares of our common stock in the public market could harm the market price of our common stock. The Company's most recent prospectus covered 109,482,917 issued and outstanding shares of our common stock, which represents approximately 101.4% of our outstanding shares of our common stock as of October 17, 2007. As additional shares of our common stock become available for resale in the public market pursuant to this offering, and otherwise, the supply of our common stock will increase, which could decrease its price. Some or all of the shares of common stock may be offered from time to time in the open market pursuant to Rule 144, and these sales may have a depressive effect on the market for our shares of common stock. In general, a person who has held restricted shares for a period of one year may, upon filing with the SEC a notification on Form 144, sell into the market common stock in an amount equal to the greater of 1% of the outstanding shares or the average weekly number of shares sold in the last four weeks prior to such sale. Such sales may be repeated once each three months, and any of the restricted shares may be sold by a non-affiliate after they have been held two years.

**We are able to issue shares of preferred stock with rights superior to those of holders of our common stock. Such issuances can dilute the tangible net book value of shares of our common stock.**

Our Certification of Incorporation provide for the authorization of 5,000,000 shares of "blank check" preferred stock. Pursuant to our Certificate of Incorporation, our Board of Directors is authorized to issue such "blank check" preferred stock with rights that are superior to the rights of stockholders of our common stock, at a purchase price then approved by our Board of Directors, which purchase price may be substantially lower than the market price of shares of our common stock, without stockholder approval. Such issuances can dilute the tangible net book value of shares of our common stock.

## **We do not intend to pay dividends.**

We have never declared or paid any dividends on our securities. We currently intend to retain our earnings for funding growth and, therefore, do not expect to pay any dividends in the foreseeable future.

## **Item 2: Description of Property.**

Our corporate offices are currently located at a biotech industrial park located at 675 Rt. 1, Suite B113, North Brunswick, NJ 08902. We have entered into a lease effective June 1, 2005; and certain lease amendments as of November 15, 2005 and a second Lease Amendment as of March 15, 2006 and a third lease amendment as of October 1, 2006 with the New Jersey Economic Development Authority (NJEDA) which will continue on a monthly basis at for two research and development Laboratory units (total of 1,600 s.f.) and two offices (total of 250 s.f.). Our facility will be sufficient for our near term purposes and the facility offers additional space for our foreseeable future. Our monthly payment on this facility is approximately \$6,000 per month. The term of the lease expires on May 31, 2008 and upon mutual consent, this lease may be renewed for one year. NJEDA billed the company for a one time Milestone Rent based on raising greater than \$1MM but less than \$5MM equity raise. The company paid \$2,500 for this milestone for the conversion of the debenture into the equity. In the event that our facility should, for any reason, become unavailable, we believe that alternative facilities are available at competitive rates.

## **Item 3: Legal Proceedings.**

We have become aware of a public company, Cerus Corporation, which has issued a press release claiming to have a proprietary *Listeria* -based approach to a cancer vaccine. We believe that through our exclusive license with Penn of U.S. Patent Nos. 5,830,702, 6,051,237 and 6,565,852, we have earliest known and dominant patent position in the United States for the use of recombinant *Listeria* monocytogenes expressing proteins or tumor antigens as a vaccine for the treatment of infectious diseases and tumors. Based on searches of publicly available databases, we do not believe that Cerus or The University of California Berkeley (which is where Cerus' consulting scientist works) or any other third party owns any published *Listeria* patents or has any issued patent claims that might materially negatively affect our freedom to operate our business as currently contemplated in the field of recombinant *Listeria* monocytogenes.

Cerus has filed an opposition against European Patent Application Number 0790835 (EP 835 Patent) which was granted by the European Patent Office and which is assigned to The Trustees of the University of Pennsylvania and exclusively licensed to us. Cerus' allegations in the Opposition are that the EP 835 Patent, which claims a vaccine for inducing a tumor specific antigen with a recombinant live *Listeria*, is deficient because of (i) insufficient disclosure in the specifications of the granted claims, (ii) the inclusion of additional subject matter in the granted claims, and (iii) a lack of inventive steps of the granted claims of the EP 835 Patent. This patent does not affect the manner in which Advaxis makes or uses its vaccine products but would preclude Cerus from using certain methodologies they require.

On November 29, 2006, following oral proceedings, the Opposition Division of the European Patent Office determined that the claims of the patent as granted should be revoked due to lack of inventive step under European Patent Office rules based on certain prior art publications. This decision has no material effect upon our ability to conduct business as currently contemplated.

As of November 20, 2007, Cerus spun its immunotherapy/*Listeria* development effort off into a separate, privately financed company.

We have reviewed the formal written decision and filed an appeal on May 29, 2007. As of December 31, 2007 no ruling has been made. There is no assurance that we will be successful. If such ruling is upheld on appeal, our patent position in Europe may be eroded. The likely result of this decision will be increased competition for us in the European market for recombinant live *Listeria* based vaccines for tumor specific antigens. Regardless of the outcome, we believe that our freedom to operate in Europe, or any other territory, for recombinant live *Listeria* based vaccine for tumor specific antigen products will not be diminished.

As of the date hereof, there are no material legal proceedings threatened against us. In the ordinary course of our business we may become subject to litigation regarding our products or our compliance with applicable laws, rules, and regulations.

**Item 4: Submission of Matters to a Vote of Security Holders.**

NONE

**PART II****Item 5: Market For Common Equity, Related Stockholder Matters and Small Business Issuer Purchases of Equity Securities.**

Since July 28, 2005, our Common Stock has quoted on the OTC:BB symbol ADXS. The following table shows, for the periods indicated, the high and low sales prices per share of our Common Stock as reported by the OTC:BB. As of December 31, 2007 there were approximately 132 stockholders of record and the closing sale price of Advaxis common stock \$0.17 per share as reported by the OTC:BB.

	Common Stock			
	Fiscal 2007		Fiscal 2006	
	High	Low	High	Low
First Quarter November 1-January 31	\$ 0.21	\$ 0.14	\$ 0.27	\$ 0.16
Second Quarter February 1- April 30	\$ 0.54	\$ 0.15	\$ 0.37	\$ 0.21
Third Quarter May 1 -July 31	\$ 0.36	\$ 0.24	\$ 0.30	\$ 0.17
Fourth Quarter August 1, - October 31	\$ 0.27	\$ 0.10	\$ 0.25	\$ 0.13

**Item 5(a)**

Equity Compensation Plan (1)

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	7,511,442(2)	\$ 0.22	470,083
Equity compensation plans not approved by security holders	1,001,399(3)	\$ 0.143	-
<b>Total</b>	<b>8,512,841</b>		<b>470,083</b>

(1) As of October 31, 2007

(2) The Company's 2004 and 2005 Stock Option Plan

(3) Options granted outside of plans

**Item 6: Management's Discussion and Analysis or Plan of Operation**

*This Management's Discussion and Analysis or Plan of Operation and other portions of this Annual Report contain forward-looking information that involves risks and uncertainties. Our actual results could differ materially from those anticipated by the forward-looking information. Factors that may cause such differences include, but are not limited to, availability and cost of financial resources, product demand, market acceptance and other factors discussed in this Annual Report under the heading "Risk Factors". This Management's Discussion and Analysis or Plan of Operation should be read in conjunction with our financial statements and the related notes included elsewhere in this Annual Report.*

## Overview

We are a biotechnology company utilizing multiple mechanisms of immunity with the intent to develop cancer vaccines that are more effective and safer than existing vaccines. We believe that by using our licensed *Listeria* System to engineer a live attenuated *Listeria monocytogenes* bacteria to secrete a protein sequence containing a tumor-specific antigen, we will enable the body's immune system to process and recognize the antigen as if it were foreign, creating the immune response needed to attack the cancer. The licensed *Listeria* System, developed at Penn over the past 10 years, provides a scientific basis for believing that this therapeutic approach induces a significant immune response to the tumor. Accordingly, we believe that the *Listeria* System is a broadly enabling platform technology that can be applied in many cancers, infectious diseases and auto-immune disorders.

Our therapeutic approach is based upon, and we have obtained an exclusive license with respect to, the innovative work of Yvonne Paterson, Ph.D., Professor of Microbiology at Penn involving the creation of genetically engineered *Listeria* that stimulate the innate immune system and induce an antigen-specific immune response involving humoral and cellular components.

We have focused our initial development efforts on four lead compounds and completed a Phase I/II clinical study of Lovaxin C, a potential cervical cancer vaccine, in the fourth fiscal quarter 2007. See "Item 1. Description of Business - Research and Development Program".

We were originally incorporated in the state of Colorado on June 5, 1987 under the name Great Expectations, Inc. We were administratively dissolved on January 1, 1997 and reinstated on June 18, 1998 under the name Great Expectations and Associates, Inc. In 1999, we became a reporting company under the Exchange Act, as amended. We were a publicly-traded "shell" company without any business until November 12, 2004, when we acquired Advaxis through the Share Exchange, as a result of which Advaxis became our wholly-owned subsidiary and our sole operating company. We then changed our name to Advaxis. On March 29, 2006, we merged into Advaxis (the subsidiary) and thereby changed our state of incorporation from the state of Colorado to the state of Delaware. For financial reporting purposes, we have treated the Share Exchange as a recapitalization. As a result of the foregoing as well as the fact that the Share Exchange is treated as a recapitalization of Advaxis rather than as a business combination, the historical financial statements of Advaxis became our historical financial statements after the Share Exchange.

On November 12, 2004, December 8, 2004 and January 4, 2005 (the "Three Tranche Private Placement") we effected a private placement to "accredited investors", as defined in Rule 501(a) of Regulation D under the Securities Act of an aggregate of 11,334,495 shares of our common stock and warrants to purchase an aggregate of 11,334,495 additional shares for net proceeds of approximately \$3,253,000.

On November 12, 2004, \$595,000 of our promissory notes plus accrued interest was converted into an aggregate of 2,136,441 shares of our common stock and warrants to purchase 2,223,549 shares of our common stock.

On January 12, 2005, we effected a private placement to an accredited investor for approximately \$1,100,000 of 3,832,753 shares of our common stock and warrants to purchase 3,832,753 additional shares.

On February 2, 2006 we sold to Cornell Capital Partners ("Cornell"), \$3,000,000 principal amount of our Secured Convertible Debentures due February 1, 2009 (\$1,500,000 on February 2, 2006 and \$1,500,000 on March 8, 2006) bearing interest at 6% per annum payable at maturity and issued it warrants to purchase 4,500,000 shares of our common stock. The net proceeds were approximately \$2,740,000.

A substantial part of our efforts in 2007 consisted of obtaining additional financing in order to continue our research and development efforts. This included taking the following actions:

On August 24, 2007, we issued and sold an aggregate of \$600,000 principal amount promissory notes bearing interest at a rate of 12% per annum and warrants to purchase an aggregate of 150,000 shares of our common stock to three investors including Thomas Moore, our Chief Executive Officer. Mr. Moore invested \$400,000 and received warrants for the purchase of 100,000 shares of Common Stock. The promissory note and accrued but unpaid interest thereon are convertible at the option of the holder into shares of our common stock upon the closing by the Company of a sale of its equity securities aggregating \$3,000,000 or more in gross proceeds to the Company at a conversion rate which shall be the greater of a price at which such equity securities were sold or the price per share of the last reported trade of our common stock on the market on which the common stock is then listed, as quoted by Bloomberg LP. At any time prior to conversion, we have the right to prepay the promissory notes and accrued but unpaid interest thereon.

On October 17, 2007, we effected a private placement to accredited investors for approximately 49,228,334 shares of common stock and warrants to purchase 36,921,250 additional shares. Concurrent with the closing of the private placement, we sold for \$1,996,667 to CAMOFI Master LDC and CAMHZN Master LDC an aggregate of (i) 10,000,000 shares of Common Stock, (ii) 10,000,000 \$0.20 Warrants, and (iii) 5-year warrants to purchase an additional 3,333,333 shares of Common Stock at a purchase price of \$0.001 per share. Both warrants provide that they may not be exercised if, following the exercise, the holder will be deemed to be the beneficial owner of more than 9.99% of Registrant's outstanding shares of Common Stock.

Pursuant to an advisory agreement dated August 1, 2007 with Centrecourt, Centrecourt provided various strategic advisory services to the Company in consideration thereof. The Company paid Centrecourt \$328,000 in cash and issued 2,483,333 \$0.20 Warrants to Centrecourt, which Centrecourt assigned to the two affiliates.

At the closing of the private placement, we exercised our right under an agreement dated August 23, 2007 with YA Global Investments, L.P. f/k/a Cornell Capital Partners, L.P. ("Yorkville"), to redeem the outstanding \$1,700,000 principal amount of our Secured Convertible Debentures due February 1, 2009 owned by Yorkville, and to acquire from Yorkville warrants expiring February 1, 2011 to purchase an aggregate of 4,500,000 shares of Common Stock. We paid an aggregate of (i) \$2,289,999 to redeem the debentures at the principal amount plus a 20% premium and accrued and unpaid interest, and (ii) \$600,000 to repurchase the warrants.

## Plan of Operations

We intend to use a significant portion of the proceeds of the sales described above to conduct a Phase II clinical trial in cervical intraepithelial neoplasia (CIN) using Lovaxin C, one of our lead product candidates in development using our *Listeria* System. We also have used the funds to further expand our clinical, research and development teams to further develop the product candidates and to expand our manufacturing capabilities and strategic activities. Our corporate staff will be responsible for the general and administrative activities.

During the next 12 to 24 months, we anticipate that our strategic focus will be to achieve several objectives described under "Item 1. Description of Business - Strategy" and as follows:

- Present our completed Phase I/II clinical study of Lovaxin C which document the practicability of using this agent safely in the therapeutic treatment of cervical cancer;
- Initiate our Investigational New Drug Application (IND) with the FDA for our Phase II clinical study of Lovaxin C in the therapeutic treatment of CIN;
- Initiate our Phase II clinical study of Lovaxin C in the therapeutic treatment of cervical intraepithelial neoplasia;
- Continue the development work necessary to bring Lovaxin P in the therapeutic treatment of prostate cancer into clinical trials, and initiate that trial;
- Continue the development work necessary to bring Lovaxin B in the therapeutic treatment of breast cancer into clinical trials, and initiate that trial;
- Continue the pre-clinical development of other product candidates, as well as continue research to expand our technology platform; and
- Initiate strategic and development collaborations with biotechnology and pharmaceutical companies.

The annual cost to maintain our current staff, overhead and preclinical expense is estimated to be in the range of \$2.5 to \$3.0 million in fiscal year 2008. We estimate the cost of our current phase II clinical study in therapeutic treatment of CIN to be in the range of \$3.0 to \$4.0 million for the 12 to 24 month period. Therefore we anticipate our current cash will be adequate to meet our needs through the third fiscal quarter but not over the entire 2008 fiscal year. Our phase II Lovaxin C clinical study is estimated to commence in mid fiscal 2008. We hope to commence the work in prostate and breast cancer in fiscal 2009. The timing and estimated costs of these projects are difficult to predict. In fiscal 2008 our anticipated needs for equipment, personnel and space should not be significant. We do plan on adding a few key employees in fiscal 2008 to address our growing clinical, regulatory and reporting needs.

Overall given the clinical stage of our business our financial needs are driven in large part by the outcomes of clinical trials and preclinical findings. The cost of these clinical trial projects is significant. As a result we will be required to raise additional debt or equity in the near future. If the clinical outcomes are successful and the value of the Company increases it is more than likely we will attempt to accelerate the timing of the required financing and, conversely if the trial or trials aren't successful we may slow our spending and the timing of additional financing will be deferred. While we will attempt to attract a corporate partnership and grants we have not assumed the receipt of any additional financial resources in our cash planning.

For more information about Penn and commitments see "Item 1. Description of Business - Partnerships and agreements - University of Pennsylvania."

### **Accounting Policies; Impact of Growth**

Below is a brief description of basic accounting principles which we have adopted in determining our recognition of expenses, as well as a brief description of the effects that our management believes that our anticipated growth will have on our revenues and expenses in the 12 months ended October 31, 2008.

*Revenues.* We do not anticipate that we will record any material revenues during at least the twelve months ending October 31, 2008. When we recognize revenues, we anticipate that they will be principally grants and licensing fees.

*Expenses.* We recorded operating expenses for the years ended October 31, 2005, 2006 and 2007 of \$2,395,328, \$3,481,226 and \$4,757,190, respectively.

The preparation of financial statements in accordance with GAAP involves the use of estimates and assumptions that affect the recorded amounts of assets and liabilities as of the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results may differ substantially from these estimates. Significant estimates include the fair value and recoverability of the carrying value of intangible assets (trade marks, patents and licenses) the fair value of options, the fair value of embedded conversion features, warrants, recognition of on-going clinical trial, and related disclosure of contingent assets and liabilities. On an on-going basis, we evaluate our estimates, based on historical experience and on various other assumptions that we believe to be reasonable under the circumstances. Actual results may differ from these estimates under different assumptions or conditions.

We believe the following critical accounting policy involves significant estimates and judgment. We amortize trademark, license and patent costs over their estimated useful lives. We may be required to adjust these lives based on advances in science and competitor actions. We review the recorded amounts of trademarks, licenses and patents at each period end to determine if their carrying amount is still recoverable based on expectations regarding potential licensing of the intangibles or sales of related products. Such an assessment, in the future, may result in a conclusion that the assets are impaired, with a corresponding charge against earnings.

In accordance with Securities and Exchange Commission Staff Accounting Bulletin (SAB) No. 104, revenue from license fees and grants is recognized when the following criteria are met; persuasive evidence an arrangement exists, services have been rendered, the contract price is fixed or determinable, and collectability is reasonably assured. In licensing arrangements, delivery does not occur for revenue recognition purposes until the license term begins. Nonrefundable upfront fees received in exchange for products delivered or services performed that do not represent the culmination of a separate earnings process will be deferred and recognized over the term of the agreement using the straight-line method or another method if it better represents the timing and pattern of performance.

For revenue contracts that contain multiple elements, we will determine whether the contract includes multiple units of accounting in accordance with EITF No. 00-21, Revenue Arrangements with Multiple Deliverables. Under that guidance, revenue arrangements with multiple deliverables are divided into separate units of accounting if the delivered item has value to the customer on a standalone basis and there is objective and reliable evidence of the fair value of the undelivered item.

Research and Development. During the years ended October 31, 2005, 2006 and 2007, we recorded research and development expenses of \$1,175,536, \$1,404,164 and \$2,128,096, respectively. Such expenses were principally comprised of manufacturing scale up and process development, license fees, sponsored research, clinical trial and consulting expenses. We recognize research and development expenses as incurred.

Commencing with the year ending October 31, 2008, we anticipate that our research and development expenses will increase as a result of our expanded development and commercialization efforts related to clinical trials, product development, and development of strategic and other relationships required ultimately for the licensing, manufacture and distribution of our product candidates. We regard four of our product candidates as major research and development projects. The timing, costs and uncertainties of those projects are as follows:

#### **Lovaxin C - Phase I/II & II trial Summary Information (Cervical Cancer & CIN )**

- Cost incurred to date: approximately \$2,350,000
- Estimated future costs: \$150,000 Phase I and \$3,000,000 - \$4,000,000 Phase II
- Anticipated completion date of Phase II: Fiscal year 2009
- Uncertainties:
  - the FDA (or relevant foreign regulatory authority) may not approve the study
  - One or more serious adverse events in patients enrolled in the trial
  - difficulty in recruiting patients
  - delays in the program
- Commencement of material cash flows:
  - Unknown at this stage and dependent upon a licensing deal or pursuant to a marketing collaboration subject to regulatory approval to market and sell the product.

#### **Lovaxin P - Pre Clinical and Phase I Trial Summary Information (Prostate Cancer)**

- Cost incurred to date: \$150,000
- Estimated future costs: \$1,500,000
- Anticipated completion dates: fourth quarter of fiscal 2009 or beyond
- Risks and uncertainties:
  - Obtaining favorable animal data
  - Proving low toxicity in animals
  - Manufacturing scale up to GMP level
  - FDA (or foreign regulatory authority) may not approve the study
  - The occurrence of a severe or life threatening adverse event in a patient
  - Delays in the program

#### **Lovaxin B - Phase I trial Summary Information (Breast Cancer)**

- Cost incurred to date: \$450,000
- Estimated future costs: \$2,000,000
- Anticipate completion dates: Fiscal 2010 or beyond

- Risks and uncertainties: See Lovaxin in P (above)
- Commencement of material cash flows:
  - Unknown at this stage, dependent upon a licensing deal or to a marketing collaboration subject to regulatory approval to market and sell the product.

**General and Administrative Expenses.** During the years ended October 31, 2005, 2006 and 2007, we recorded general and administrative expenses of \$1,219,792, \$2,077,062 and \$2,629,094, respectively. General and administrative costs primarily include the salaries and expenses for executive, consultants, finance, facilities, insurances, accounting and legal assistance, as well as other corporate and administrative functions that serve to support Advaxis' current and our future operations and provide an infrastructure to support this anticipated future growth. For the year ending October 31, 2008 and beyond, we anticipate that our general and administrative costs will increase significantly due to the increased compliance requirements, including, without limitation, legal, accounting, and insurance expenses, to comply with periodic reporting and other regulations applicable to public companies.

**Other Income (Expense).** During the years ended October 31, 2005, 2006 and 2007 we recorded interest expense (\$7,307), (\$437,299) and (\$607,193), respectively. Interest expense, relates primarily to our then outstanding secured convertible debenture commencing at the closing dates of our Two Tranche Private Placement on February 2 and March 8, 2006 extinguished on October 17, 2007. During the years ended October 31, 2005, 2006 and 2007 we recorded interest income of \$43,978, \$90,899 and \$63,407, respectively, earned on investments. As of October 17, 2007, the extinguishment date, the changes due to the fair market value of common stock warrants and embedded derivative was recorded as a \$1,159,846 gain compared to a \$(2,802,078) loss recorded as of October 31, 2006. Due to the eliminations of the convertible debenture, we also recorded a gain on extinguishment of the Debenture of \$1,212,510 in addition to \$319,967 gain on retirement of a note with Penn totaling \$1,532,477. For fiscal 2008, we anticipate minimal interest expense and increased interest income due to the elimination of the convertible debenture and additional cash investment.

#### *Recently Issued Accounting Pronouncements.*

In July 2006, the FASB issued FASB Interpretation No. 48 "Accounting for Uncertainty in Income Taxes (an interpretation of FASB Statement No. 109)" ("FIN 48"). FIN 48 clarifies the accounting for uncertainty in tax positions and requires that companies recognize in their financial statements the impact of a tax position, if that position is more likely than not of being sustained on audit, based on the technical merits of the position. The Company will be required to adopt the provisions of FIN 48 beginning in fiscal 2008, with the cumulative effect of the change in accounting principle recorded as an adjustment to opening retained earnings as well as requiring additional disclosures. The Company does not expect the adoption of FIN 48 to have a material impact on its financial reporting.

In September 2006, the FASB issued SFAS No. 157, *Fair Value Measurement*. This statement does not require any new fair value measurement, but it provides guidance on how to measure fair value under other accounting pronouncements. SFAS No. 157 also establishes a fair value hierarchy to classify the source of information used in fair value measurements. The hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad categories. This standard is effective for the Company beginning in fiscal 2009. The Company is currently evaluating the impact of this pronouncement on its financial statements.

In February 2007, the FASB issued SFAS No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities*. SFAS No. 159 permits companies to choose to measure certain financial instruments and certain other items at fair value. The election to measure the financial instrument at fair value is made on an instrument-by-instrument basis for the entire instrument, with few exceptions, and is irreversible. SFAS No. 159 is effective for the Company beginning in the fiscal year ending October 31, 2009. The Company is currently evaluating the impact of this pronouncement on its financial statements.

## **Results of Operations**

### **Year Ended October 31, 2007 Compared to the Year Ended October 31, 2006**

**Revenue.** Our revenue decreased by \$277,760, or 64%, from \$431,961 for the year ended October 31, 2006 to \$154,201 for the year ended October 31, 2007 primarily due to the completion of the HER-2 SBIR, FUSION and FLAIR grants in fiscal 2006 partially offset by a new grant and the continuation of a State of New Jersey grant.

*Research and Development Expenses.* Research and development expenses increased by \$723,932, or 52%, from \$1,404,164 for the twelve months ended October 31, 2006 to \$2,128,096 for the twelve months ended October 31, 2007. This increase was principally attributable to the following:

- Clinical trial expenses decreased \$20,132, or 5%, from \$421,915 to \$401,783 due to the higher start-up expenses of our clinical trial in March 2006 partially offset by the lower expenses incurred at the end of the trial in fiscal 2007.
- Wages, salaries and related lab costs increased by \$183,650, or 31%, from \$600,329 to \$783,979 principally due to adding one research and development staff at the end of fiscal 2006 and a higher bonus payment in fiscal 2007.
- IND/NDA and developmental consulting expenses increased \$130,466 or 293% from \$44,494 to \$174,960 primarily due to costs related to the preparation to file an IND and establishing the Phase II clinical trial protocol.
- Subcontracted expenses increased by \$51,220, or 21%, from \$249,315 to \$300,535 reflecting the additional subcontract work performed by Dr. Paterson, pursuant to certain grants.
- Manufacturing expenses increased \$327,625, or 1253%, from \$26,155 to \$353,780; primarily the result of the fiscal 2007 manufacturing program in anticipation of the Lovaxin C Phase II clinical trial planned in fiscal 2008.
- Toxicology study expenses increased \$30,722, or 92%, from \$33,558 to \$64,280; principally as a result of the initiation of additional toxicology studies by Pharm Olam in connection with our Lovaxin C clinical trial in anticipation of our IND filing in fiscal 2008.

*General and Administrative Expenses.* General and administrative expenses increased by \$552,032, or 27%, from \$2,077,062 for the year ended October 31, 2006 to \$2,629,094 for the year ended October 31, 2007, primarily attributable to the following:

- Wages, option expense and benefits increased by \$453,409 or 119% from \$382,526 to \$835,935 primarily due to hiring a CEO in fiscal 2007 previously filled by a consultant (LVEP) these costs did not occur in the fiscal 2006.
- All other costs increased by \$84,319 or 24% from \$354,042 to \$438,361 primarily due to higher depreciation expense, insurance, accounting and other operating costs.
- Consulting fees and related expenses decreased by \$86,813, or 104%, from \$885,349 for the twelve months ended October 31, 2006 to \$798,536 for the same period in 2007 arising from a lower bonus expense and consulting fees primarily for LVEP (prior Chief Executive Officer) and consultants partially offset by a \$251,269 increase in option expense due to accelerated vesting of the previous CEO options (LVEP).
- A decrease in legal fees and public relations expenses of \$23,666, or 5%, from \$441,621 for the twelve-months ended October 31, 2006 to \$417,955 for the same period in 2007, primarily as a result of lower legal costs.
- Conference expenses increased by \$124,779 or 922% from \$13,527 to \$138,306 due to increased fund raising activities and communication efforts.

*Other Income (expense).* Other Income (expense) improved by \$5,297,014 from (\$3,148,478) recorded as expense for the twelve months ended October 31, 2006 to \$2,148,536 recorded as income for the twelve months ended October 31, 2007. The breakdown is as follows:

- Interest income earned on investments decreased by \$27,492 in fiscal year 2007 from \$90,899 in fiscal year 2006 to \$63,407 in 2007.
- Gain on Note Retirements in the fiscal year 2007 totaled \$1,532,477 compared to no gain recorded in fiscal 2006. There were two gains; the first was a gain due to the amendment and restatement of a license agreement that involved a note with Penn of \$319,967 which was forgiven as well as a gain recorded on the early extinguishment of the Debentures with Cornell Partners of \$1,212,510. In the case of the debentures, the reacquisition price was less than the net carrying value and therefore a gain on extinguishment was recorded.
- Change in fair value of common stock warrants & embedded derivatives recorded in fiscal 2007 improved by \$3,961,924 from an expense recorded in fiscal 2006 of (\$2,802,078) to income of \$1,159,846 in fiscal year 2007. This change primarily resulted from this early extinguishment of the debenture on October 17, 2007 and a decrease in fair value as recorded in fiscal 2007 compared to fiscal 2006.
- Interest expense increased by \$169,894, or 39% from fiscal year 2006 of (\$437,299) to (\$607,193) for fiscal year 2007. Interest expense, relates primarily to our then outstanding secured convertible debenture that commenced at the closing dates of February 2 and March 8, 2006 and were extinguished on October 17, 2007.

No provision for income taxes was made for the year ended October 31, 2006 or 2007 due to significant tax losses during and prior to such periods.

## Year Ended October 31, 2006 Compared to the Year Ended October 31, 2005

*Revenue.* Our revenue decreased by \$120,907, or 22%, from \$552,868 for the year ended October 31, 2005 to \$431,961 for the year ended October 31, 2006 primarily due to the decrease in the FLAIR grant money received by the Company.

*Research and Development Expenses.* Research and development expenses increased by \$228,628, or 19%, from \$1,175,536 for the twelve months ended October 31, 2005 to \$1,404,164 for the twelve months ended October 31, 2006. This increase was principally attributable to the following:

- Clinical trial expenses increased \$328,389, or 351%, from \$93,525 to \$421,915 due to the start-up of our clinical trial in March 2006.
- Wages, salaries and related lab costs increased by \$409,542, or 215%, from \$190,804 to \$600,329 principally due to our expanded research and development staffing in early 2006.
- Subcontracted expenses increased by \$107,949, or 76.3%, from \$141,366 to \$249,315 reflecting the additional subcontract work performed by Dr. Paterson at Penn, pursuant to certain grants.
- Manufacturing expenses decreased \$383,387, or 93.6%, from \$409,542 to \$26,155; the result of the fiscal 2005 manufacturing program in anticipation of the Lovaxin C for toxicology and clinical trials required in early 2006.
- Toxicology study expenses decreased \$259,548, or 88.6%, from \$293,105 to \$33,558; principally as a result of the initiation in the earlier period of toxicology studies by Pharm Olam in connection with our Lovaxin C product candidates in anticipation of the clinical studies in 2006.

*General and Administrative Expenses.* General and administrative expenses increased by \$857,270, or 70.3%, from \$1,219,792 for the year ended October 31, 2005 to \$2,077,062 for the year ended October 31, 2006, primarily attributable to the following:

- Consulting fees and related expenses increased by \$580,197, or 190%, from \$305,153 for the twelve months ended October 31, 2005 to \$885,349 for the same period in 2006 arising from a higher bonus expense, stock expense, consulting fees and the fair value of options primarily for the Chief Executive Officer(s) and consultants.
- An increase in legal fees and public relations expenses of \$391,611, or 364%, from \$107,370 for the twelve-months ended October 31, 2005 to \$498,611 for the same period in 2006, primarily as a result of an increase in the costs arising from being publicly held.
- A decrease in offering and analyst expenses of \$132,498 incurred in fiscal 2005 while none were incurred in 2006.

*Other Income (expense).* Other Income (expense) increased by (\$3,185,149) from income of \$36,671 for the twelve months ended October 31, 2005 to (\$3,148,478) recorded as expense for the twelve months ended October 31, 2006. During the years ended October 31, 2005 and 2006 we recorded interest expense of (\$7,307), and (\$437,299) respectively. Interest expense, relates primarily to our outstanding secured convertible debenture commencing at the closing dates on February 2 and March 8, 2006. Interest earned on investments amounted to \$43,978 and \$90,899, respectively. In the year ended October 31, 2006 there is a net change of (\$2,802,078) in fair value of common stock warrants and embedded derivative liabilities in expense (non-cash item) as of October 31, 2006 compared to the original value for the secured convertible debenture.

No provision for income taxes was made for the year ended October 31, 2005 or 2006 due to significant tax losses during and prior to such periods.

### Liquidity and capital resources

At October 31, 2005, 2006 and 2007, our cash was \$2,075,206, \$2,761,166 and \$4,041,984 we had working capital of \$1,365,742, \$1,254,651 and \$3,069,172, respectively.

To date, our principal source of liquidity has been cash provided by private placements of our securities. Some of these offerings have been structured so as to be exempt from the prospectus delivery requirements under the Securities Act. Principal uses of our cash have been to support research and development, clinical study, financing and working capital. We anticipate these uses will continue to be our principal uses in the future.

On November 12, 2004, we acquired Advaxis, Inc., a Delaware corporation through the Share Exchange. The transaction was accounted for as a recapitalization. Accordingly, the historical financial statements of Advaxis are our financial statements for reporting purposes. Advaxis, Inc has changed its fiscal year to the year ended October 31st and as a result is providing herein its audited financial statements for the years ended October 31, 2006 and 2007.

Although we believe that the net proceeds received by us from the October 17, 2007 private placement will be sufficient to finance our currently planned operations through the third fiscal quarter 2008, they will not be sufficient to meet the full fiscal year 2008 nor our longer-term cash requirements or our cash requirements for the commercialization of any of our existing or future product candidates. We will be required to sell equity or debt securities or to enter into other financial arrangements, including relationships with corporate and other partners, in order to raise additional capital. Depending upon market conditions, we may not be successful in raising sufficient additional capital for our long-term requirements. In such event, our business, prospects, financial condition and results of operations could be materially adversely affected. The accompanying financial statements have been prepared assuming the Company will continue as a going concern. The Company has suffered losses that raise substantial doubt about its ability to continue as a going concern. The financial statement do not include any adjustments that might result from the outcome of this uncertainty.

The following factors, among others, could cause actual results to differ from those indicated in the above forward-looking statements: increased length and scope of our clinical trials, increased costs related to intellectual property related expenses, increased cost of manufacturing and higher consulting costs. These factors or additional risks and uncertainties not known to us or that we currently deem immaterial may impair business operations and may cause our actual results to differ materially from any forward-looking statement.

Although we believe the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements.

We expect our future sources of liquidity to be primarily equity capital raised from investors, as well as licensing fees and milestone payments in the event we enter into licensing agreements with third parties, and research collaboration fees in the event we enter into research collaborations with third parties.

On November 12, 2004, we sold to accredited investors at a closing of the first tranche of the Three Tranche Private Placement 117 Units at \$25,000 per unit for an aggregate purchase price of \$2,925,000. Each Unit is comprised of (i) 87,108 shares of our common stock and (ii) a five-year warrant to purchase 87,108 shares of our common stock at an exercise price of \$0.40 per share. At the initial closing, the accredited investors received an aggregate of 10,191,638 shares of common stock and warrants to purchase 10,191,638 shares of common stock. In addition, on November 12, 2004, \$595,000 aggregate principal amount of outstanding convertible promissory notes including accrued interest, were converted into units on the same terms as those upon which the Units sold, accordingly, an aggregate of 2,136,441 shares of common stock and additional warrants to purchase 2,136,441 shares of common stock.

On December 8, 2004, we sold to accredited investors at the closing of the second tranche 8 units for an aggregate purchase price of \$200,000 and the investors received an aggregate of 696,864 shares of common stock and additional warrants to purchase 696,864 shares of Common Stock.

On January 4, 2005, we sold to accredited investors at a third tranche 5.12 Units for an aggregate purchase price of \$128,000, 445,993 shares of common stock and additional warrants to purchase 445,993 shares of Common Stock were issued.

Pursuant to the terms of a investment banking agreement, dated March 19, 2004, by and between us and Sunrise Securities, Corp. ("Sunrise" or the "Placement Agent"), we issued to the Placement Agent and its designees an aggregate of 2,283,445 shares of common stock and warrants to purchase up to an aggregate of 2,666,900 shares of common stock. The securities were issued along with a cash fee of \$50,530 in consideration for the services of Sunrise, as our placement agent in the Private Placement.

On January 12, 2005, we sold an accredited investor at a closing the third tranche 44 units for an aggregate purchase price of \$1,100,000 and therefore an aggregate of 3,832,752 shares of common stock and warrants to purchase 3,832,752 shares of common stock.

Pursuant to a Securities Purchase Agreement dated February 2, 2006 and March 8, 2006 we sold to Cornell \$3,000,000 principal amount of our 6% Secured Convertible Debentures due February 1, 2009 (the "Debentures") at face amount (before commissions and related fees of \$260,000), along with five year A Warrants to purchase 4,200,000 shares of common stock at the price of \$0.287 per share and five year B Warrants to purchase 300,000 shares of common stock at a price of \$0.3444 per share.

The 6% per annum interest due at maturity was charged to expense. The investment-banking fee paid to Yorkville Advisors in connection with the Debentures in the amount of \$240,000 was charged, in view its relationship with Cornell, as additional interest expense over the three-year term of the Debentures. The remaining transaction fees of \$20,000 was capitalized.

The Company calculated the fair value of the embedded conversion of the Company's above mentioned warrants to be recorded as a warrant liability at the end of the fiscal year 2006. As a result of this calculation at the end of October 31, 2006 included in the Statement of Operations for the Company is a \$2,802,078 non-cash expense in the establishment of the liabilities related to the warrants and embedded conversion feature for the entire year. Upon full satisfaction of the Debentures (whether through its repayment or conversion to equity), the fair value of the remaining warrants on that date will be reclassified to equity.

On October 17, 2007, pursuant to a Securities Purchase Agreement, we completed a private placement resulting in \$7,384,235 in gross proceeds, pursuant to which we sold 49,228,334 shares of common stock at a purchase price of \$0.15 per share solely to institutional and accredited investors and warrants to purchase 36,921,250 additional shares at a purchase price of \$0.20 per share. Each investor received a five-year warrant to purchase an amount of shares of common stock that equals 75% of the number of shares of common stock purchased by such investor in the offering. Concurrent with the closing of the private placement, we sold for \$1,996,666 to CAMOFI Master LDC and CAMHZN Master LDC an aggregate of (i) 10,000,000 shares of Common Stock, (ii) 10,000,000 \$0.20 Warrants, and (iii) 5-year warrants to purchase an additional 3,333,333 shares of Common Stock at a purchase price of \$0.001 per share. Both warrants provide that they may not be exercised if, following the exercise, the holder will be deemed to be the beneficial owner of more than 9.99% of Registrant's outstanding shares of Common Stock.

Pursuant to an advisory agreement dated August 1, 2007 with Centrecourt, Centrecourt provided various strategic advisory services to the Company in consideration thereof. Registrant paid Centrecourt \$328,000 in cash and issued 2,483,333 \$0.20 Warrants to Centrecourt, which Centrecourt assigned to the two affiliates.

At the closing of the private placement, we exercised our right under an agreement dated August 23, 2007 with YA Global Investments, L.P. f/k/a Cornell Capital Partners, L.P. ("Yorkville"), to redeem the outstanding \$1,700,000 principal amount of our Secured Convertible Debentures due February 1, 2009 owned by Yorkville, and to acquire from Yorkville warrants expiring February 1, 2011 to purchase an aggregate of 4,500,000 shares of Common Stock. We paid an aggregate of (i) \$2,289,999 to redeem the debentures at the principal amount plus a 20% premium and accrued and unpaid interest, and (ii) \$600,000 to repurchase the warrants. As a result the Company recorded a gain on retirement in October 2007 of \$1,221,510. As of October 17, 2007 after giving the effect of interest, amortization, fair value changes of the common stock warrants and the embedded derivative the net carrying value of the deferred commissions asset was \$63,728, embedded derivative liability was \$1,640,207, common stock warrant liability was \$729,840 and the discount on the value of the note of \$217,537.

We are party to a license agreement, dated July 1, 2002 (effective date), as amended and restated, between Advaxis and The Trustees of the University of Pennsylvania.

For more information about Penn and commitments see "Item 1. Description of Business - Partnerships and agreements - University of Pennsylvania."

For a description of material employment agreements to which we are party, see "Item 12. Certain Relationships and Related Party Transactions".

### **Critical Accounting Policies**

The preparation of financial statements in accordance with GAAP involves the use of estimates and assumptions that affect the recorded amounts of assets and liabilities as of the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results may differ substantially from these estimates. Significant estimates include the fair value and recoverability of carrying value of intangible asset (trademarks, patents and licenses) the fair value of options, the fair value of embedded conversions features, warrants, recognition of on-going clinical trial, and related disclosures of contingent assets and liabilities. On an on-going basis, we evaluate our estimates, based on historical experience and on various other assumptions that we believe to be reasonable under the circumstances. Actual results may differ from these estimates under different assumptions or conditions.

We believe the following critical accounting policy involves significant estimate and judgment. We amortize trademark, license and patent costs over their estimated useful lives. We may be required to adjust these lives based on advances in science and competitor actions. We review the recorded amounts of trademarks and patents at each period end to determine if their carrying amount is still recoverable based on expectations regarding potential licensing of the intangibles or sales of related products. Such an assessment, in the future, may result in a conclusion that the assets are impaired, with a corresponding charge against earnings. The Company reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. An asset is considered to be impaired when the sum of the undiscounted future net cash flows expected to result from the use of the asset and its eventual disposition exceeds its carrying amount. The amount of impairment loss, if any, is measured as the difference between the net book value of the asset and its estimated fair value.

Intangible assets consist of trademarks, patents, and licenses which are amortized on a straight-line basis over their remaining useful lives, which are estimated to be twenty years. Capitalized license costs represent the value assigned to the Company's 20 year exclusive worldwide license with the University of Pennsylvania. The value of the license is based on management's assessment regarding the ultimate recoverability of the amounts paid and the potential for alternative future uses. This license includes the exclusive right to exploit 12 issued and 46 pending patents. As of October 31, 2007, capitalized costs associated with patents filed and granted are estimated to be \$440,000 and the estimated costs associated with patents pending are estimated to be \$719,000. The expirations of the existing patents range from 2014 to 2020. Capitalized costs associated with patent applications that are abandoned are charged to expense when the determination is made not to pursue the application. Amortization expense for licensed technology and capitalized patent cost is included in general and administrative cost. There have been no patent applications abandoned and charged to expense in the current or prior year that were material in value.

### **Accounting for Warrants and Convertible Securities**

The Company evaluates whether warrants issued should be accounted for as liabilities or equity based on the provisions of EITF 00-19, *Accounting for Derivative Financial Instruments Indexed to, and potentially Settled in, a Company's Own Stock*. The EITF lists conditions under which warrants are required to be classified as liabilities, including the existence of registration rights where significant penalties could be required to be paid to the holder of the instrument in the event the issuer fails to register the shares under a preset time frame, or where the registration statement fails to remain effective for a preset time period. Warrants accounted for as liabilities are required to be recorded at fair value, with changes in fair value recorded in operations.

For convertible debt instruments, the Company determines whether the conversion feature must be bifurcated and accounted for as a derivative liability in accordance with the provisions of EITF 00-19. The first step of the analysis is to determine whether the debt instrument is a conventional convertible instrument, in which case the embedded conversion option would qualify for equity classification and would not be bifurcated from the debt instrument. If the debt does not meet the definition of a conventional convertible instrument, the Company will analyze whether the conversion feature should be accounted for as a liability or equity under the provisions of EITF 00-19. The most common reason a debt instrument would not be considered to be a conventional convertible instrument is where the conversion price is variable. If the conversion feature does qualify for equity classification, the Company will assess whether there is a beneficial conversion feature that must be accounted for under the provisions of EITF 98-5, *Accounting for Convertible Securities with Beneficial Conversion Features or Contingently Adjustable Conversion Ratios*, and EITF 00-27, *Application of Issue No. 98-5 to Certain Convertible Instruments*.

In February 2006, the FASB issued Statement No. 155, *Accounting for Certain Hybrid Financial Instruments, an amendment of FASB Statements No. 133 and 140*. Among other matters, that statement provides that where a company is required to bifurcate a derivative from its host contract, the company may irrevocably elect to initially and subsequently measure that hybrid financial instrument in its entirety at fair value, with changes in fair value recognized in operations. The statement is effective for financial instruments issued after the beginning of an entity's first fiscal year that begins after September 15, 2006. Earlier adoption is permitted as of the beginning of an entity's fiscal year, provided the entity has not yet issued financial statements, including financial statements [or] any interim period for that fiscal year.

Due to the limited nature of the Company's operations, the Company has not identified any other accounting policies involving estimates or assumptions that are material due to the levels of subjectivity and judgment necessary to account for highly uncertain matters or the susceptibility of such matters to change, and where the impact of the estimates and assumptions on financial condition or operating performance is material.

**Impact of Inflation**

We believe that our results of operations are not dependent upon moderate changes in inflation rates.

**Off-Balance Sheet Arrangement**

The Company is obligated under a non-cancelable operating lease for laboratory and office space expiring in May 31, 2008 with aggregate future minimum payments due amounting to \$40,348.

ADVAXIS, INC.  
FINANCIAL STATEMENTS  
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## Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders  
Advaxis, Inc.

We have audited the balance sheet of Advaxis, Inc. (a development stage company) as of October 31, 2007, and the related statements of operations, shareholders' equity (deficiency) and cash flows for the year then ended and the amounts included in the cumulative columns in the statements of operations and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Advaxis, Inc. as of October 31, 2007 and the results of its operations and its cash flows for year then ended and the amounts included in the cumulative columns in the statement of operations and cash flows for the year then ended, in conformity with U.S. generally accepted accounting principles.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the financial statements, the Company has suffered recurring losses from operations that raise substantial doubt about its ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

MCGLADREY & PULLEN LLP  
New York, NY

January 15, 2008

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Board of Directors and Shareholders of  
Advaxis, Inc.

We have audited the accompanying statements of operations, shareholders' equity (deficiency), and cash flows of Advaxis, Inc. (a development stage company) for the year ended October 31, 2006 and the period included in the cumulative columns from March 1, 2002 (inception) to October 31, 2006. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the results of operations and cash flows of Advaxis, Inc. for the year ended October 31, 2006 and the period from March 1, 2002 (inception) to October 31, 2006 in conformity with United States generally accepted accounting principles.

As disclosed in Note 2, the Company changed its method of accounting for stock-based compensation, effective November 1, 2005.

*GOLDSTEIN GOLUB KESSLER LLP*

New York, New York

December 11, 2006

**ADVAXIS, INC.**  
**(A Development Stage Company)**  
**Balance Sheet**

**October 31, 2007**

**ASSETS**

Current Assets:

Cash	\$	4,041,984
Prepaid expenses		199,917
<b>Total Current Assets</b>		<b>4,241,901</b>

Property and Equipment (net of accumulated depreciation of \$55,953)		116,442
Intangible Assets (net of accumulated amortization of \$149,132)		1,098,135
Other Assets		3,876

<b>TOTAL ASSETS</b>	<b>\$</b>	<b><u>5,460,354</u></b>
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**LIABILITIES AND SHAREHOLDERS' EQUITY**

Current Liabilities:

Accounts payable	\$	787,297
Accrued expenses		305,023
Notes payable - current portion		80,409
<b>Total Current Liabilities</b>		<b>1,172,729</b>

Notes payable - net of current portion		19,646
<b>Total Liabilities</b>	<b>\$</b>	<b><u>1,192,375</u></b>

Shareholders' Equity

Preferred stock, \$0.001 par value; 5,000,000 shares authorized; no shares issued and outstanding		-
Common Stock - \$0.001 par value; authorized 500,000,000 shares, issued and outstanding 107,957,777		107,957
Additional Paid-In Capital		16,276,648
Deficit accumulated during the development stage		(12,116,626)
<b>Total Shareholders' Equity</b>		<b>4,267,979</b>

<b>TOTAL LIABILITIES &amp; SHAREHOLDERS' EQUITY</b>	<b>\$</b>	<b><u>5,460,354</u></b>
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The accompanying notes and the report of independent registered public accounting firm should be read in conjunction with the financial statements.

ADVAXIS, INC.  
(A Development Stage Company)  
Statement of Operations

	Year Ended October 31, 2006	Year Ended October 31, 2007	Period from March 1, 2002 (Inception) to October 31, 2007
Revenue	\$ 431,961	\$ 154,201	\$ 1,259,436
Research & Development Expenses	1,404,164	2,128,096	5,376,144
General & Administrative Expenses	2,077,062	2,629,094	6,972,887
Total Operating expenses	3,481,226	4,757,190	12,349,031
Loss from Operations	(3,049,265)	(4,602,989)	(11,089,595)
Other Income (expense):			
Interest expense	(437,299)	(607,193)	(1,073,220)
Other Income	90,899	63,406	199,828
Gain on note retirement	-	1,532,477	1,532,477
Net changes in fair value of common stock warrant liability and embedded derivative liability	(2,802,078)	1,159,846	(1,642,232)
Net loss	(6,197,744)	(2,454,453)	(12,072,742)
Dividends attributable to preferred shares			43,884
Net loss applicable to Common Stock	\$ (6,197,744)	\$ (2,454,453)	\$ (12,116,626)
Net loss per share, basic and diluted	\$ (0.16)	\$ (0.05)	
Weighted average number of shares outstanding basic and diluted	38,646,769	46,682,291	

The accompanying notes and the report of independent registered public accounting firm should be read in conjunction with the financial statements.

**ADVAXIS, INC.**  
**(a development stage company)**  
**STATEMENT OF SHAREHOLDERS' EQUITY (DEFICIENCY)**  
**Period from March 1, 2002 (inception) to October 31, 2007**

	Preferred Stock		Common Stock		Additional Paid-in Capital	Deficit Accumulated During the Development Stage	Shareholders' Equity (Deficiency)
	Number of Shares of Outstanding	Amount	Number of shares of outstanding	Amount			
Preferred stock issued	3,418	\$ 235,000					\$ 235,000
Common Stock Issued			40,000	\$ 40	\$ (40)		
Options granted to consultants and professionals					10,493		10,493
Net Loss						(166,936)	(166,936)
Retroactive restatement to reflect re-capitalization on Nov. 12, 2004	(3,481)	(235,000)	15,557,723	15,558	219,442		
Balance at December 31, 2002			15,597,723	\$ 15,598	\$ 229,895	\$ (166,936)	\$ 78,557
Note payable converted into preferred stock	232	15,969					15,969
Options granted to consultants and professionals					8,484		8,484
Net loss						(909,745)	(909,745)
Retroactive restatement to reflect re-capitalization on Nov. 12, 2004	(232)	(15,969)			15,969		
Balance at December 31, 2003			15,597,723	\$ 15,598	\$ 254,348	\$ (1,076,681)	\$ (806,735)
Stock dividend on preferred stock	638	43,884				(43,884)	
Net loss						(538,076)	(538,076)
Options granted to consultants and professionals					5,315		5,315
Retroactive restatement to reflect re-capitalization on Nov. 12, 2004	(638)	(43,884)			43,884		
Balance at October 31, 2004			15,597,723	\$ 15,598	\$ 303,547	\$ (1,658,641)	\$ (1,339,496)
Common Stock issued to Placement Agent on re- capitalization			752,600	753	(753)		
Effect of re-capitalization			752,600	753	(753)		
Options granted to consultants and professionals					64,924		64,924
Conversion of Note payable to Common Stock			2,136,441	2,136	611,022		613,158
Issuance of Common Stock for cash, net of shares to Placement Agent			17,450,693	17,451	4,335,549		4,353,000
Issuance of common stock to consultants			586,970	587	166,190		166,777
Issuance of common stock in connection with the registration statement			409,401	408	117,090		117,498
Issuance costs					(329,673)		(329,673)
Net loss						(1,805,789)	(1,805,789)
Restatement to reflect re- capitalization on Nov. 12, 2004 including cash paid of \$44,940					(88,824)		(88,824)
Balance at October 31, 2005			37,686,428	\$ 37,686	\$ 5,178,319	\$ (3,464,430)	\$ 1,751,575
Options granted to consultants and professionals					172,831		172,831
Options granted to employees and directors					71,667		71,667
Conversion of debenture to Common Stock			1,766,902	1,767	298,233		300,000
Issuance of Common Stock to employees and directors			229,422	229	54,629		54,858
Issuance of common stock to consultants			556,240	557	139,114		139,674
Net loss						(6,197,744)	(6,197,744)
Balance at October 31, 2006			40,238,992	40,239	5,914,793	(9,662,173)	(3,707,141)
Common Stock issued			55,226,334	55,228	8,725,674		8,780,902
Offering Expenses					(2,243,535)		(2,243,535)
Options granted to consultants and professionals					268,577		268,577
Options granted to employees and directors					222,501		222,501
Conversion of debenture to Common Stock			10,974,202	10,974	1,593,026		1,600,000
Issuance of Common Stock to employees and directors			446,417	416	73,384		73,800
Issuance of common stock to consultants			1,100,001	1,100	220,678		221,778
Warrants issued on conjunction with issuance of common stock					1,505,550		1,505,550
Net loss						(2,454,453)	(2,454,453)
Balance at October 31, 2007			107,957,977	\$ 107,957	\$ 16,276,648	\$ (12,116,626)	\$ 4,267,979



**ADVAXIS, INC.**  
**(A Development Stage Company)**  
**Statement of Cash Flows**

	Year ended October 31, 2006	Year ended October 31, 2007	Period from March 1 2002 (Inception) to October 31, 2007
<b>OPERATING ACTIVITIES</b>			
Net loss	\$ (6,197,744)	\$ (2,454,453)	\$ (12,072,742)
Adjustments to reconcile net loss to net cash used in operating activities:			
Non-cash charges to consultants and employees for options and stock	439,027	786,656	1,497,866
Amortization of deferred financing costs	82,313	177,687	260,000
Non-cash interest expense	230,218	280,060	510,278
Loss (Gain) on change in value of warrants and embedded derivative	2,802,078	(1,159,846)	1,642,232
Value of penalty shares issued	-	-	117,498
Depreciation expense	17,009	31,512	55,953
Amortization expense of intangibles	45,068	54,577	152,303
Gain on note retirement	-	(1,532,477)	(1,532,477)
(Increase) decrease in prepaid expenses	(38,100)	(161,817)	(199,917)
Decrease (increase) in other assets	-	724	(3,876)
Increase in accounts payable	158,335	99,076	1,224,503
Increase (decrease) in accrued expenses	522,467	(217,444)	288,834
Increase (Decrease) in interest payable	123,934	(117,951)	18,291
(Decrease) in Deferred Revenue	20,350	(20,350)	-
Net cash used in operating activities	<u>(1,795,045)</u>	<u>(4,234,046)</u>	<u>(8,041,254)</u>
<b>INVESTING ACTIVITIES</b>			
Cash paid on acquisition of Great Expectations	-	-	(44,940)
Purchase of property and equipment	(8,606)	(37,632)	(126,815)
Cost of intangible assets	(250,389)	(358,336)	(1,325,390)
Net cash used in Investing Activities	<u>(258,995)</u>	<u>(395,968)</u>	<u>(1,497,145)</u>
<b>FINANCING ACTIVITIES</b>			
Proceeds from (repayment of) convertible secured debenture	3,000,000	(2,040,000)	960,000
Cash paid for deferred financing costs	(260,000)	-	(260,000)
Proceeds from notes payable	-	600,000	1,271,224
Payment on notes payable	-	(92,087)	(92,087)
Net proceeds of issuance of Preferred Stock	-	-	235,000
Payment on cancellation of Warrants	-	(600,000)	(600,000)
Net proceeds of issuance of Common Stock	-	8,042,917	12,066,244
Net cash provided by Financing Activities	<u>2,740,000</u>	<u>5,910,830</u>	<u>13,580,381</u>
Net increase in cash	685,960	1,280,818	4,041,984
Cash at beginning of period	2,075,206	2,761,166	-
Cash at end of period	<u>\$ 2,761,166</u>	<u>4,041,984</u>	<u>\$ 4,041,984</u>

The accompanying notes and the report of independent registered public accounting firm should be read in conjunction with the financial statements.

Supplemental Schedule of Noncash Investing and Financing Activities

	Year ended October 31, 2006	Year ended October 31, 2007	Period from March 1, 2002 (Inception) to October 31, 2007
Equipment acquired under notes payable	\$ -	\$ 45,580	\$ 45,580
Common Stock issued to Founders	\$ -	\$ -	\$ 40
Notes payable and accrued interest converted to Preferred Stock	\$ -	\$ -	\$ 15,969
Stock dividend on Preferred Stock	\$ -	\$ -	\$ 43,884
Notes payable and accrued interest converted to Common Stock	\$ 300,000	\$ 1,600,000	\$ 2,513,158
Intangible assets acquired with notes payable	\$ -	\$ -	\$ 360,000
Debt discount in connection with recording the original value of the embedded derivative liability	\$ 512,865	\$ -	\$ 512,865
Allocation of the original secured convertible debentures to warrants	\$ 214,950	\$ -	\$ 214,950
Warrants issued in connection with issuance of Common Stock	\$ -	\$ 1,505,550	\$ 1,505,550

The accompanying notes and the report of independent registered public accounting firm should be read in conjunction with the financial statements.

**ADVAXIS, INC.**  
**(a development stage company)**  
**NOTES TO FINANCIAL STATEMENTS**

**1. PRINCIPAL BUSINESS ACTIVITY AND  
SUMMARY OF SIGNIFICANT  
ACCOUNTING POLICIES:**

Advaxis, Inc. (the "Company") was incorporated in 2002 and is a biotechnology company researching and developing new cancer-fighting techniques. The Company is in the development stage and its operations are subject to all of the risks inherent in an emerging business enterprise.

The preparation of financial statements in accordance with GAAP involves the use of estimates and assumptions that affect the recorded amounts of assets and liabilities as of the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results may differ substantially from these estimates. Significant estimates include the fair value and recoverability of the carrying value of intangible assets (trade marks, patents and licenses) the fair value of options, the fair value of embedded conversion features, warrants, recognition of on-going clinical trial, and related disclosure of contingent assets and liabilities. On an on-going basis, we evaluate our estimates, based on historical experience and on various other assumptions that we believe to be reasonable under the circumstances. Actual results may differ from these estimates under different assumptions or conditions.

As shown in the financial statements, the Company has incurred losses from operations. These losses are expected to continue for an extended period of time. We believe that the net proceeds received by us from the Private Placement and the private offerings will not be sufficient to finance our currently planned operations for approximately the next 12 months and they will not be sufficient to meet our longer-term cash requirements or our cash requirements for the commercialization of any of our existing or future product candidates. We will be required to issue equity or debt securities or to enter into other financial arrangements, including relationships with corporate and other partners, in order to raise additional capital. Depending upon market conditions, we may not be successful in raising sufficient additional capital for our long-term requirements. In such event, our business, prospects, financial condition and results of operations could be materially adversely affected. The accompanying financial statements have been prepared assuming the Company will continue as a going concern. The Company has suffered losses that raise substantial doubt about its ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

In accordance with Securities and Exchange Commission (SEC) Staff Accounting Bulletin (SAB) No. 104, revenue from license fees and grants is recognized when the following criteria are met; persuasive evidence of an arrangement exists, services have been rendered, the contract price is fixed or determinable, and collectibility is reasonably assured. In licensing arrangements, delivery does not occur for revenue recognition purposes until the license term begins. Nonrefundable upfront fees received in exchange for products delivered or services performed that do not represent the culmination of a separate earnings process will be deferred and recognized over the term of the agreement using the straight line method or another method if it better represents the timing and pattern of performance. Since its inception and through October 31, 2007, all of the Company's revenues have been from grants. For the year ended October 31, 2007 all of the Company's revenues were received from two grants. For the year ended October 31, 2006, all of the Company's revenue was received from four grants.

For revenue contracts that contain multiple elements, the Company will determine whether the contract includes multiple units of accounting in accordance with EITF No. 00-21, *Revenue Arrangements with Multiple Deliverable*. Under that guidance, revenue arrangements with multiple deliverables are divided into separate units of accounting if the delivered item has value to the customer on a standalone basis and there is objective and reliable evidence of the fair value of the undelivered item.

The Company maintains its cash in bank deposit accounts (money market) that at times exceed federally insured limits.

Intangible assets, which consist primarily of legal costs in obtaining trademarks, patents and licenses and are being amortized on a straight-line basis over 20 years.

The Company reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. An asset is considered to be impaired when the sum of the undiscounted future net cash flows expected to result from the use of the asset and its eventual disposition exceeds its carrying amount. The amount of impairment loss, if any, is measured as the difference between the net book value of the asset and its estimated fair value. Our cash flow projections related to these underlying assets far exceed the book value recorded as of October 31, 2007 for \$1,098,135 net assets recorded on the balance sheet for trademarks, patents and licenses related to Lovaxin C, B, P and other products in research and development. However, if a competitor were to gain FDA approval for a treatment before us or if future clinical trials fail to meet the targeted endpoints, we would likely record an impairment related to these assets. In addition, if an application is rejected or fails to be issued we would record an impairment of its estimated book value.

Basic loss per share is computed by dividing net loss by the weighted-average number of shares of common stock outstanding during the periods. Diluted earnings per share gives effect to dilutive options, warrants, convertible debt and other potential common stock outstanding during the period. Therefore, the impact of the potential common stock resulting from warrants and outstanding stock options are not included in the computation of diluted loss per share, as the effect would be anti-dilutive. The table sets forth the number of potential shares of common stock that have been excluded from diluted net loss per share

	October 31, 2007	October 31, 2006
Warrants	87,713,770	25,009,220
Stock Options	8,512,841	6,959,077
Convertible Debt (1.)	-	14,210,526
Total	96,226,611	46,178,823

(1.) Conversion of the outstanding principal of \$2,700,000 converted at 95% of the October 31, 2006 closing price of \$0.20 per share or \$0.19 per share.

No deferred income taxes are provided for the differences between the bases of assets and liabilities for financial reporting and income tax purposes.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates by management. Actual results could differ from these estimates.

The estimated fair value of the notes payable approximates the principal amount based on the rates available to the Company for similar debt.

Accounts payable consists entirely of trade accounts payable.

Research and development costs are charged to expense as incurred.

In July 2006, the Financial Accounting Standards Board ("FASB") issued FASB Interpretation No. 48 "Accounting for Uncertainty in Income Taxes, an interpretation of FASB Statement No. 109" ("FIN48"), which provides criteria for the recognition, measurement, presentation and disclosure of uncertain position may be recognized only if it is "more likely than not" that the position is sustainable based on its technical merits. The Company will adopt the provisions of FIN 48 for fiscal year beginning November 1, 2007. We do not expect that FIN 48 will have a material effect on our financial condition or results of operations.

In September 2006, the FASB issued SFAS No. 157, *Fair Value Measurement*. This statement does not require any new fair value measurement, but it provides guidance on how to measure fair value under other accounting pronouncements. SFAS No. 157 also establishes a fair value hierarchy to classify the source of information used in fair value measurements. The hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad categories. This standard is effective for the Company beginning fiscal year ending October 31, 2009. The Company is currently evaluating the impact of this pronouncement on its financial statements.

In February 2007, the FASB issued SFAS No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities*. SFAS No. 159 permits companies to choose to measure certain financial instruments and certain other items at fair value. The election to measure the financial instrument at fair value is made on an instrument-by-instrument basis for the entire instrument, with few exceptions, and is irreversible. SFAS No. 159 is effective for the fiscal year ending October 31, 2009. The Company is currently evaluating the impact of this pronouncement on its financial statements.

Management does not believe that any other recently issued, but not yet effective, accounting standards if currently adopted would have a material effect on the accompanying financial statements.

## 2. SHARE-BASED COMPENSATION EXPENSE

Effective November 1, 2005, the Company adopted the fair value based method of accounting for share-based employee compensation under the provisions of Statement of Financial Accounting Standards (“SFAS”) No. 123 (revised 2004), *Accounting for Stock-Based Payment* (“SFAS 123(R)”) which requires the measurement and recognition of compensation expense for all share-based payment awards made to employees and directors for employee stock options based on estimated fair values. SFAS 123(R) supersedes the Company’s previous accounting under the Accounting Principles Board Option No. 25, *Accounting for Stock Issued to Employees* (“APB 25”) for periods beginning in fiscal 2006.

The Company adopted SFAS 123(R) using the modified prospective transition method, which requires the application of the accounting standard as of November 1, 2005, the first day of the Company’s fiscal year 2006. In accordance with the modified prospective transition method, the Company’s Financial Statements for prior periods were not restated to reflect, and do not include the impact of SFAS 123(R). Stock-based compensation expense for fiscal years ended October 31, 2007 and 2006 was \$222,051 and \$71,667 respectively which consists of stock-based compensation expense related to employee and director stock options.

The Company began recognizing expense in an amount equal to the fair value of share-based payments (stock option awards) on their date of grant, over the requisite service period of the awards (usually the vesting period). Under the modified prospective method, compensation expense for the Company is recognized for all share based payments granted and vested on or after November 1, 2005 and all awards granted to employees prior to November 1, 2005 that were unvested on that date but vested in the period over the requisite service periods in the Company’s Statement of Operations. Prior to the adoption of the fair value method, the Company accounted for stock-based compensation to employees under the intrinsic value method of accounting set forth in Accounting Principles Board Opinion No. 25, *Accounting for Stock Issued to Employees*, and related interpretations. Therefore, compensation expense related to employee stock options was not reflected in operating expenses in any period prior to the fiscal year of 2006 and prior period results have not been restated. Since the date of inception to October 31, 2005 had the Company adopted the fair value based method of accounting for stock-based employee compensation under the provisions of SFAS No. 123, Stock Option Expense would have totaled \$328,176 for the period March 1, 2002 (date of inception) to October 31, 2007, and the effect on the Company’s net loss would have been as follows:

	<b>March 1, 2002 (date of inception) to October 31, 2007</b>
Net Loss as reported	\$ (12,072,742)
Add: Stock based option expense included in recorded net loss	89,217
Deduct stock option compensation expense determined under fair value based method	<u>(328,176)</u>
Adjusted Net Loss	<u>\$ (12,311,701)</u>

The fair value of each option granted from the Company’s stock option plans during the years ended October 31, 2006 and 2007 was estimated on the date of grant using the Black-Scholes option-pricing model. Using this model, fair value is calculated based on assumptions with respect to (i) expected volatility of the Company’s Common Stock price, (ii) the periods of time over which employees and Board Directors are expected to hold their options prior to exercise (expected lives), (iii) expected dividend yield on the Company’s Common Stock, and (iv) risk-free interest rates, which are based on quoted U.S. Treasury rates for securities with maturities approximating the options’ expected lives. Expected volatility for a development stage biotechnology company is very difficult to estimate as such; the company considered several factors in computing volatility. The company used their own historical volatility in determining the volatility to be used. Expected lives are based on contractual terms given the early stage of the business, lack of intrinsic value and significant future dilution along typical of early stage biotech. The expected dividend yield is zero as the Company has never paid dividends and does not currently anticipate paying any in the foreseeable future.

	<b>Year Ended</b>	<b>Year Ended</b>
	<u>October 31, 2006</u>	<u>October 31, 2007</u>
Expected volatility	127.37%	119.0%
Expected Life	7.7 years	7.0 years
Dividend yield	0	0
Risk-free interest rate	4.6%	4.3%

Stock-based compensation expense recognized during the period is based on the value of the portion of share-based payment awards that vested during the period. Stock-based compensation expense for the twelve months ended October 31, 2007 includes compensation expense for share-based payment awards granted prior to, but not yet vested as of October 31, 2006 based on the grant date fair value estimated in accordance with the provisions of SFAS 123 and compensation expense for the share-based payment awards granted subsequent to October 31, 2005 based on the grant date fair value estimated in accordance with the provisions of SFAS 123(R). Compensation expense for all share-based payment awards to be recognized using the straight line method over the requisite service period. As stock-based compensation expense for the twelve months of 2006 and 2007 is based on awards granted and vested, it has been reduced for estimated forfeitures (4.4%). SFAS 123(R) requires forfeitures to be estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates. In the Company's pro forma information required under SFAS 123 for the periods prior to fiscal 2006, the Company accounted for forfeitures as they occurred.

#### *Warrant Expense*

On or about the October 17, 2007 the closing date of the private placement the following transactions took place.

Pursuant to the related Placement Agency Agreement with Carter Securities, LLC, the Company paid the placement agent \$354,439 in cash commissions and reimbursement of expenses and issued to it 2,949,333 warrants exercisable at \$0.20 per share. The fair value of the warrants is estimated to be \$574,235. The fair value of the warrants was calculated using the black-scholes valuation model with the following assumptions: 2,949,333 warrants, market price of common stock on the date of sale of \$0.23 per share October 17, 2007, exercise price of \$0.20, risk-free interest rate of 4.16%, expected volatility of 119% and expected life of 5 years. The value of the warrants and cash are included in APIC as a reduction to net proceeds from the October 2007 private placement.

In accordance with a consulting agreement with Centrecourt Asset Management they were paid \$328,000 in cash commissions and issued 2,483,333 warrants exercisable at \$0.20 per share. The fair value of the warrants is estimated to be \$483,505. The fair value of the warrants was calculated using the black-scholes valuation model with the following assumptions: 2,483,333 warrants, market price of common stock on the date of sale of \$0.23 per share on October 17, 2007, an exercise price of \$0.20, risk-free interest rate of 4.16%, expected volatility of 119% and expected life of 5 years. The value of the warrants and one half of the cash was included in APIC as a reduction to net proceeds from the October 2007 private placement. The other half of the cash was recorded as prepaid expense for advisory consulting services to be amortized over the balance of the term of the one- year agreement.

In accordance with a consulting agreement with BridgeVentures they were paid \$51,427 in cash commissions and issued 800,000 warrants exercisable at \$0.20 per share. The fair value of the warrants is estimated to be \$155,760. The fair value of the warrants was calculated using the black-scholes valuation model with the following assumptions: 800,000 warrants, market price of common stock on the date of sale of \$0.23 per share on October 17, 2007, an exercise price of \$0.20, risk-free interest rate of 4.16%, expected volatility of 119% and expected life of 5 years. The value of the warrants and the cash was included in APIC as a reduction to net proceeds from the October 2007 private placement. The future consulting payments of cash will recorded as consulting expense for advisory consulting services over the balance of the agreement.

In accordance with a consulting agreement with Dr. Filer, he was issued 1,500,000 warrants exercisable at \$0.20 per share. The fair value of the warrants is estimated to be \$292,050. The fair value of the warrants was calculated using the black-scholes valuation model with the following assumptions: 1,500,000 warrants, market price of common stock on the date of sale of \$0.23 per share on October 17, 2007, an exercise price of \$0.20, risk-free interest rate of 4.16%, expected volatility of 119% and expected life of 5 years. The value of the warrants was included in APIC as a reduction to net proceeds from the October 2007 private placement. He receives a monthly fee of \$5,000 for consulting recorded as consulting expense for advisory consulting services over the balance of the agreement.

The Company accounts for nonemployee stock-based awards in which goods or services are the consideration received for the equity instruments issued based on the fair value of the equity instruments in accordance with the guidance provided in the consensus opinion of the Emerging Issues Task Force ("EITF") Issue 96-18, *Accounting for Equity Instruments that Are Issued to Other than Employees for Acquiring, or in Conjunction With Selling Goods or Services*.

### 3. INTANGIBLE ASSETS:

Intangible assets consist of trademarks, patents, and licenses which are amortized on a straight-line basis over their remaining useful lives, which are estimated to be twenty years. Capitalized license costs represent the value assigned to the Company's 20 year exclusive worldwide license with the University of Pennsylvania. The value of the license is based on management's assessment regarding the ultimate recoverability of the amounts paid and the potential for alternative future uses. This license includes the exclusive right to exploit 12 issued and 46 pending patents. As of October 31, 2007, capitalized costs associated with patents filed and granted are estimated to be \$440,000 and the estimated costs associated with patents pending are estimated to be \$719,000. The expirations of the existing patents issued range from 2014 to 2020. Capitalized costs associated with patent applications that are abandoned are charged to expense when the determination is made not to pursue the application. Amortization expense for licensed technology and capitalized patent cost is included in general and administrative cost. There have been no patent applications abandoned and charged to expense in the current or prior year that were material in value.

Intangible assets consist of the following at October 31, 2007.

Trademarks	\$	87,857
Patents		663,283
License		496,127
Less: Accumulated Amortization		(149,132)
		<u>1,098,135</u>

Estimated amortization expense is as follows:

Year ending October 31,		
2008	\$	58,000
2009		58,000
2010		58,000
2011		58,000
2012		58,000

Amortization expense of intangibles amounted to \$54,577 and \$45,068 for the year ended October 31, 2007 and 2006, respectively

### 4. ACCRUED EXPENSES:

The following table represents the major components of accrued expenses:

Salaries and other compensation	\$	182,737
Consulting		84,619
Clinical Research Organization		37,667
		<u>305,023</u>

### 5. NOTES PAYABLE:

Notes payable consist of the following at October 31, 2007:

Two notes payable with interest at 8% per annum, due on December 17, 2008. The lender has served notice demanding repayment on the due date pursuant to the November 2004 recapitalization and financing agreement	\$	65,577
Installment purchase agreement on equipment with interest at 11.75% per annum		34,478
Total		100,055
Less current portion		(80,409)
		<u>19,646</u>

### Secured Convertible Debenture:

Pursuant to a Securities Purchase Agreement dated February 2, 2006 (\$1,500,000 principal amount) and March 8, 2006 (\$1,500,000 principal amount) we issued to Cornell Capital Partners, LP ("Cornell") \$3,000,000 principal amount of the Company's Secured Convertible Debentures due February 1, 2009 (the "Debentures") at face amount, and five year Warrants to purchase 4,200,000 shares of Common Stock at the price of \$0.287 per share and five year B Warrants to purchase 300,000 shares of Common Stock at a price of \$0.3444 per share.

The Debentures are convertible at a price equal to the lesser of (i) \$0.287 per share (“Fixed Conversion Price”), or (ii) 95% of the lowest volume weighted average price of the Common Stock on the market on which the shares are listed or traded during the 30 trading days immediately preceding the date of conversion (“Market Conversion Price”). Interest is payable at maturity at the rate of 6% per annum in cash or shares of Common Stock valued at the conversion price then in effect.

Cornell has agreed that (i) it will not convert the Debenture or exercise the Warrants if the effect of such conversion or exercise would result in its and its affiliates’ holdings of more than 4.9% of the outstanding shares of Common Stock, (ii) neither it nor its affiliates will maintain a short position or effect short sales of the Common Stock while the Debentures are outstanding, and (iii) no more than \$300,000 principal amount of the Debenture may be converted at the Market Conversion Price during a calendar month.

The Company may call the Debentures for redemption at the Redemption Price at any time or from time to time but not more than \$500,000 principal amount may be called during any 30 consecutive day period. The Redemption Price will be 120% of the principal redeemed plus accrued interest. The Company has also granted the holder an 18-month right of first refusal assuming the Debentures are still outstanding with respect to the Company’s issuance or sale of shares of capital stock, options, warrants or other convertible securities. Pursuant to Registration Rights Agreement, the Company has registered at its expense under the Securities Act of 1933, as amended (the “Act”) for reoffering by the holders of the Debentures and of the Warrants and B Warrants shares of Common Stock received upon conversion or exercise.

The Company has granted the holders a first security interest on its assets as security for payment of the Company’s obligations.

The Company has also agreed that as long as there is outstanding at least \$500,000 principal amount of Debentures it would not, without the consent of the Debenture holder, issue or sell any securities at a price or warrants, options or convertible securities with an exercise or conversion price less than the bid price, as defined, immediately prior to the issuance; grant a further security interest in its assets or file a registration statement on Form S-8.

In the event of a Debenture default the Debenture shall, at the holder’s election, become immediately due and payable in cash or, at the holder’s option, may be converted into shares of Common Stock. Events of default include failure to pay principal when due or interest within five days following due date; failure to cure breaches or defaults of covenants, agreements or warrants within 10 days following written notice of such breach or default; the entry into a change of control transaction meaning (A) the acquisition of effective control of more than 50% of the outstanding voting securities by an individual or group (not including the holder or its affiliates), or (B) the replacement of more than one-half of the Directors not approved by a majority of the Company’s directors as of February 2, 2006 or by directors appointed by such directors or (C) the Company entering into an agreement to effect any of the foregoing; bankruptcy or insolvency acts; breach or default which results in acceleration of the maturity of other debentures, mortgages or credit facilities, indebtedness or factor agreements involving outstanding principal of at least \$100,000; breach of the Registration Rights Agreement as to the maintaining effectiveness of the registration statement which results in an inability to sell shares by holder for a designated period; failure to maintain the eligibility of the Common Stock to trade on at least the Over-the-Counter Bulletin Board, and failure to make delivery within five trading days of certificates for shares to be issued upon conversion or the date the Company publicly announces its intention not to comply with requests for conversion in accordance with the Debenture terms.

### **Debenture Accounting**

In accounting for the Debentures and the warrants described above the Company considered the guidance contained in EITF 00-19, "Accounting for Derivative Financial Instruments Indexed To, and Potentially Settled In, a Company's Own Common Stock," and SFAS 133 "Accounting for Derivative Instruments and Hedging Activities." In accordance with the guidance provided in EITF 00-19, the Company determined that the conversion feature of the convertible debentures represents an embedded derivative since the debenture is convertible into a variable number of shares based upon the conversion formula which could require the Company to issue shares in excess of its authorized amount. The convertible debentures are not considered to be “conventional” convertible debt under EITF 00-19 and thus the embedded conversion feature must be bifurcated from the debt host and accounted for as a derivative liability.

The Company continued to measure the fair value of the warrants and embedded conversion features at each reporting date using the Black-Scholes valuation model based on the current assumptions at that point in time. This calculation has resulted in a fair market value significantly different than the previous reporting period. The increase or decrease in the fair market value of the warrants and embedded conversion feature at each period results in a non-cash income or loss to the other income or loss line item in the Statement of Operations along with a corresponding change in liability.

The Company was required to measure the fair value of the warrants calculated using the Black-Scholes valuation model on the date of each reporting period until the debt is extinguished. On October 31, 2006 the fair value of the warrants was calculated by using the Black-Scholes valuation model with the following assumptions: (i) 4,200,000 warrants at market price of common stock on the date of sale of \$0.20 per share, exercise price of \$0.287 and (ii) 300,000 warrants at the market price of common stock of \$0.20 per share, exercise price of \$0.3444 both at risk-free interest rate of 4.56%, expected volatility of 122% and expected life of 4.33 years. The fair value of the warrants was \$714,600 or an increase of \$499,650 over the \$214,950 recorded at inception. This increase of the fair value of the warrants was charged to the Statements of Operations as expenses to Net Change in Fair Value of Common Stock Warrant and Embedded Derivative Liability and credited to Balance Sheet: Common Stock Warrants Liabilities. On October 17, 2007 the value of the warrants increased by \$15,240 over the \$714,600 fair value as of October 31, 2006 to a fair value of \$729,840. The Company purchased the warrants on October 17<sup>th</sup> for \$600,000 and recorded a gain on extinguishment of \$129,850.

Likewise the Company is also required to measure the fair value of the embedded conversion feature allocated to the Debentures liability based upon the Black-Scholes valuation model on the date of each reporting period. On October 31, 2006 the fair value of this feature was based on the following assumptions: (i) the market price convertible at the price equal to 95% of the lowest volume weighted average price of the Common Stock on the market on which the shares are listed or traded during the 30 trading days immediately preceding the date of conversion or \$0.141 on October 31, 2006, (ii) the conversion price of \$0.20, (iii) the risk free interest rate of 4.62%, (iv) expected volatility of 127.37% and (v) expected life of 2.333 years. The fair value of the embedded conversion feature was \$2,815,293 or an increase of \$2,302,428 over the \$512,865 recorded at inception. This increase of the fair value of the embedded conversion feature was charged to the Statements of Operations expensed as Net Change in Fair Value of Common Stock Warrant and Embedded Derivative Liability and credited to Balance Sheet was credited to the Embedded Derivative Liability. On October 17, 2007 the value of the embedded derivative decreased by \$1,175,086 from the \$2,815,293 fair value as of October 31, 2006 to a fair value of \$1,640,207. The Company purchased the Debenture on October 17<sup>th</sup> for \$340,000 Premium over the principal but still recorded a gain on extinguishment of \$1,300,207.

The Company was required to measure the fair value of the warrants and the embedded conversion feature to be calculated using the Black-Scholes valuation model on the date of each reporting period until the debt is extinguished. The Company allocated the proceeds from the sale of the Debentures between the relative fair values at the date of origination of the sale for the warrants, embedded derivative and the debenture. The fair value of the warrants was calculated by using the Black-Scholes valuation model with the following assumptions: (i) 4,200,000 warrants at market price of common stock on the date of sale of \$0.21 per share, exercise price of \$0.287 and (ii) 300,000 warrants at the market price of common stock of \$0.21 per share, exercise price of \$0.3444 both at risk-free interest rate of 4.5%, expected volatility of 25% and expected life of five years. The initial fair value of the warrants of \$214,950 was recorded as a reduction to the Debenture liability and will be amortized over the loan period and charged to interest expense. The portion of the fair value of the warrants charged to interest expense since inception to October 17, 2007 was \$122,803 the \$92,147 balance partially offset gain on extinguishment.

The fair value of the embedded conversion feature allocated to the Debentures liability was based on the Black-Scholes valuation model with the following assumptions: (i) the market price convertible at the price equal to 95% of the lowest volume weighted average price of the Common Stock on the market on which the shares are listed or traded during the 30 trading days immediately preceding the date of conversion or \$0.2293 on the date of origination (most beneficial conversion rate), (ii) the conversion price of \$0.287, (iii) the risk free interest rate of 4.5%, (iv) expected volatility of 30% and (v) expected life of three years. The initial fair value of the embedded conversion feature of \$512,865 was recorded as a reduction to the Debenture liability and will be amortized over the loan period and charged to interest expense. The portion of the fair value of the embedded conversion feature charged to interest expense since inception to October 17, 2007 (extinguishment) was \$387,477 the \$125,388 balance partially offsetting the gain on extinguishments.

The Company paid Yorkville Advisor, LLC a fee of 8% of the principal amount of the Debentures sold or \$240,000 and structuring and due diligence fees of \$15,000 and \$5,000, respectively. The amount paid to Yorkville Advisor, LLC in connection with the Debentures was capitalized and charged to interest expense over the three-year term of the Debentures since Yorkville is related to the holders of the Debentures by virtue of common ownership. The amount charged as interest since inception to October 17, 2007 was \$196,272 however, the balance was written off to interest due to early extinguishment of the debt amounting to \$260,000.

## Debenture Extinguishments

At the closing of this private placement, we exercised our right under an agreement dated August 23, 2007 with YA Global Investments, L.P. f/k/a Cornell Capital Partners, L.P. (“Yorkville”), to redeem the outstanding \$1,700,000 principal amount of our Secured Convertible Debentures due February 1, 2009 owned by Yorkville, and to acquire from Yorkville warrants expiring February 1, 2011 to purchase an aggregate of 4,500,000 shares of our common stock. We paid an aggregate of (i) \$2,289,999 to redeem the debentures at the principal amount plus a 20% premium and accrued and unpaid interest, and (ii) \$600,000 to repurchase the warrants.

	Principal \$	Discount \$	Interest \$	Warrant Liability \$	Embedded Derivative Liability \$
Original (Fiscal Year 2006)	3,000,000	(727,815)(1)	-	-	-
Fiscal year 2006	(300,000)(2)	230,218(3)	119,934	714,600(4)	2,815,293(4)
Book Value at October 31, 2006	2,700,000	(497,597)	119,934	714,600	2,815,293
Fiscal year 2007	(1,000,000)(2)	280,062(3)	130,065	15,240(5)	(1,175,086)(5)
Book Value at October 31, 2007	1,700,000	(217,535)	249,999	729,840	1,640,207
Cash paid at October 17, 2007	(1,700,000)	-	(249,999)	(600,000)	(340,000)
Gain (Loss)	-	( 217,535)	-	129,840	1,300,207

1. Embedded derivative’s warrant value at origination of debenture
2. Principal converted into common stock
3. Amortized discount to interest expense
4. Change in Fair value of the Company’s common stock warrants from inception expensed to the statement of operations.
5. Change in fair value for fiscal 2007 until extinguishment

Total gain on extinguishment is \$1,212,512. The \$1,300,000 principal was converted into 8,741,105 shares of Advaxis, Inc. common stock at an average value of \$0.1487 per share.

As of October 31, 2007, the Company reported a net gain on extinguishment of \$1,212,512 resulting from the elimination of the warrant liability of \$729,840 and the embedded derivative liability of \$1,640,207 less the premium paid for the early extinguishment of \$340,000 and \$600,000 paid for the elimination of all warrants and the write-off of the discount.

Penn and the Company entered into the amended and restated license agreement on February 13, 2007 that eliminated the \$482,000 obligation under the prior agreement. This obligation was recorded in fiscal year 2005 as an intangible asset and as of January 31, 2007 it remained as an intangible asset with the liabilities recorded as: a notes payable-current portion \$130,000, notes payable-net of current portion \$230,000 and the balance as accounts payable. As a result of this transaction, \$319,967 was recorded as a gain on note retirement and is reflected in other income.

## 6. STOCK OPTIONS:

The Company has adopted the Advaxis, Inc. 2002 Stock Option Plan (the "Plan"), which allows for grants up to 8,000 shares of the Company's common stock. This Plan was replaced by the Advaxis 2004 Option Plan, which allows for grants up to 2,381,525 shares of the Company's common stock. The board of directors adopted and the shareholders approved the Company's 2005 stock option plan on June 6, 2006, which allows for grants up to 5,600,000 shares of the Company's common stock. Both the 2004 plan and the 2005 plan shall be administered and interpreted by the Company's board of directors.

### 2004 Stock Option Plan

In November 2004, our board of directors adopted and stockholders approved the 2004 Stock Option Plan (“2004 Plan”). The 2004 Plan provides for the grant of options to purchase up to 2,381,525 shares of our common stock to employees, officers, directors and consultants. Options may be either “incentive stock options” or non-qualified options under the Federal tax laws. Incentive stock options may be granted only to our employees, while non-qualified options may be issued, in addition to employees, to non-employee directors, and consultants.

The 2004 Plan is administered by “disinterested members” of the board of directors or the Compensation Committee, who determine, among other things, the individuals who shall receive options, the time period during which the options may be partially or fully exercised, the number of shares of common stock issuable upon the exercise of each option and the option exercise price.

Subject to a number of exceptions, the exercise price per share of common stock subject to an incentive option may not be less than the fair market value per share of common stock on the date the option is granted. The per share exercise price of the common stock subject to a non-qualified option may be established by the board of directors, but shall not, however, be less than 85% of the fair market value per share of common stock on the date the option is granted. The aggregate fair market value of common stock for which any person may be granted incentive stock options which first become exercisable in any calendar year may not exceed \$100,000 on the date of grant.

No stock option may be transferred by an optionee other than by will or the laws of descent and distribution, and, during the lifetime of an optionee, the option will be exercisable only by the optionee. In the event of termination of employment or engagement other than by death or disability, the optionee will have no more than three months after such termination during which the optionee shall be entitled to exercise the option to the extent vested at termination, unless otherwise determined by the board of directors. Upon termination of employment or engagement of an optionee by reason of death or permanent and total disability, the optionee's options remain exercisable for one year to the extent the options were exercisable on the date of such termination. No similar limitation applies to non-qualified options.

We must grant options under the 2004 Plan within ten years from the effective date of the 2004 Plan. The effective date of the Plan was November 12, 2004. Subject to a number of exceptions, holders of incentive stock options granted under the Plan cannot exercise these options more than ten years from the date of grant. Options granted under the 2004 Plan generally provide for the payment of the exercise price in cash and may provide for the payment of the exercise price by delivery to us of shares of common stock already owned by the optionee having a fair market value equal to the exercise price of the options being exercised, or by a combination of these methods. Therefore, if it is provided in an optionee's options, the optionee may be able to tender shares of common stock to purchase additional shares of common stock and may theoretically exercise all of his stock options with no additional investment other than the purchase of his original shares.

Any unexercised options that expire or that terminate upon an employee's ceasing to be employed by us become available again for issuance under the 2004 Plan.

#### 2005 Stock Option Plan

In June 2006, our board of directors adopted and stockholders approved on June 6, 2006, the 2005 Stock Option Plan ("2005 Plan").

The 2005 Plan provides for the grant of options to purchase up to 5,600,000 shares of our common stock to employees, officers, directors and consultants. Options may be either "incentive stock options" or non-qualified options under the Federal tax laws. Incentive stock options may be granted only to our employees, while non-qualified options may be issued to non-employee directors, consultants and others, as well as to our employees.

The 2005 Plan is administered by "disinterested members" of the board of directors or the compensation committee, who determine, among other things, the individuals who shall receive options, the time period during which the options may be partially or fully exercised, the number of shares of common stock issuable upon the exercise of each option and the option exercise price.

Subject to a number of exceptions, the exercise price per share of common stock subject to an incentive option may not be less than the fair market value per share of common stock on the date the option is granted. The per share exercise price of the common stock subject to a non-qualified option may be established by the board of directors, but shall not, however, be less than 85% of the fair market value per share of common stock on the date the option is granted. The aggregate fair market value of common stock for which any person may be granted incentive stock options which first become exercisable in any calendar year may not exceed \$100,000 on the date of grant.

Except when agreed by the board or the administrator of the 2005 Plan, no stock option may be transferred by an optionee other than by will or the laws of descent and distribution, and, during the lifetime of an optionee, the option will be exercisable only by the optionee. In the event of termination of employment or engagement other than by death or disability, the optionee will have no more than three months after such termination during which the optionee shall be entitled to exercise the option, unless otherwise determined by the board of directors. Upon termination of employment or engagement of an optionee by reason of death or permanent and total disability, the optionee's options remain exercisable for one year to the extent the options were exercisable on the date of such termination. No similar limitation applies to non-qualified options.

We must grant options under the 2005 Plan within ten years from the effective date of the 2005 Plan. The effective date of the Plan was January 1, 2005. Subject to a number of exceptions, holders of incentive stock options granted under the 2005 Plan cannot exercise these options more than ten years from the date of grant. Options granted under the 2005 Plan generally provide for the payment of the exercise price in cash and may provide for the payment of the exercise price by delivery to us of shares of common stock already owned by the optionee having a fair market value equal to the exercise price of the options being exercised, or by a combination of these methods. Therefore, if it is provided in an optionee's options, the optionee may be able to tender shares of common stock to purchase additional shares of common stock and may theoretically exercise all of his stock options with no additional investment other than the purchase of his original shares.

Any unexercised options that expire or that terminate upon an employee's ceasing to be employed by us become available again for issuance under the 2005 Plan.

On November 12, 2004, in connection with the recapitalization (see Note 9), the options granted under the 2002 option plan were canceled, and employees and consultants were granted options of Advaxis under the 2004 plan. The cancellation and replacement had no accounting consequence since the aggregate intrinsic value of the options immediately after the cancellation and replacement was not greater than the aggregate intrinsic value immediately before the cancellation and replacement, and the ratio of the exercise price per share to the fair value per share was not reduced. Additionally, the original options were not modified to accelerate vesting or extend the life of the new options. The table provided in this Note 6 reflects the options on a post recapitalization basis.

A summary of the grants, cancellations and expirations (none were exercised) of the Company's outstanding options for the periods starting with October 31, 2005 through October 31, 2007 is as follows:

	Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life In Years	Aggregate Intrinsic Value
Outstanding as of October 31, 2005	4,842,539	\$ 0.27	8.4	6,867
Granted	2,233,179	\$ 0.22		12,000
Cancelled or Expired	(116,641)	\$ 0.37		
Outstanding as of October 31, 2006	6,959,077	\$ 0.25	8.1	18,867
Granted	2,910,001	\$ 0.15		
Cancelled or Expired	(1,356,237)	0.22		
Outstanding as of October 31, 2007	8,512,841	\$ 0.22	7.8	\$ 167,572
Vested & Exercisable at October 31, 2007	5,432,536	\$ 0.24	7.4	\$ 62,422

The fair value of options granted for the year ended October 31, 2007 amounted to \$408,810.

The following table summarizes significant ranges of outstanding and exercisable options as of October 31, 2007 (number outstanding and exercisable in thousands):

Range of Exercise Prices	Options Outstanding				Options Exercisable			
	Number Outstanding (000's)	Weighted- Average Remaining Contractual Life (in Years)	Weighted- Average Exercise Price per Share	Aggregate Intrinsic Value	Number Exercisable (000's)	Weighted- Average Exercise Price per Share	Aggregate Intrinsic Value	
\$ 0.14-0.17	3,150	8.9	\$ 0.15	\$ 164,550	1,075	\$ 0.14	\$ 60,000	
0.18-0.21	1,739	6.8	0.21	3,022	1,679	0.21	2,422	
0.22-0.25	310	8.5	0.25	0	133	0.25	0	
0.26-0.29	2,992	7.5	0.28	0	2,224	0.28	0	
0.30-0.43	322	5.1	0.37		322	0.37		
Total	<u>8,513</u>	7.8	\$ 0.22	<u>\$ 167,572</u>	<u>5,433</u>	<u>\$ 0.24</u>	<u>\$ 62,422</u>	

The aggregate intrinsic value in the preceding table represents the total pretax intrinsic value, based on options with an exercise price less than the Company's closing stock price of \$0.20 as of October 31, 2007, which would have been received by the option holders had those option holders exercised their options as of that date.

A summary of the status of the Company's nonvested shares as of October 31, 2007, and changes during the year ended October 31, 2007 are presented below:

	<u>Number of Shares</u>	<u>Weighted Average Exercise Price at Grant Date</u>	<u>Weighted Average Remaining Contractual Term (in years)</u>
Non-vested shares at October 31, 2006	3,203,167	\$ 0.25	9.0
Options granted	2,910,001	\$ 0.15	8.9
Options vested	(3,032,863)	\$ 0.19	8.5
Non-vested shares at October 31, 2007	3,080,305	\$ 0.19	8.5

As of October 31, 2007, there was approximately \$472,000 of unrecognized compensation cost related to non-vested stock option awards, which is expected to be recognized over a remaining average vesting period of 2.2 years.

## 7. COMMITMENTS AND CONTINGENCIES :

Pursuant to multiple consulting agreements and a licensing agreement, the Company is contingently liable for the following:

Under an amended and restated 20-year exclusive worldwide (July 1, 2002 effective date) license agreement, the Company is obligated to pay (a) \$525,000 in aggregate, divided over a three-year period as a minimum royalty after the first commercial sale of a product. Such payments are not anticipated within the next five years. (b) On December 31, 2008 the Company is also obligated to pay annual license maintenance fees of \$50,000 increasing to a maximum of \$100,000 per year until the first commercial sale of a licensed product. (c) Upon the initiation of a phase III clinical trial and the regulatory approval for the first Licensor product the Company is obligated to pay milestone payments of \$400,000 and \$600,000, respectively. (d) Upon the achievement of the first sale of a product in certain fields, the Company shall be obligated to pay certain milestone payments, as follows: \$2,500,000 shall be due for first commercial sale of the first product in the cancer field (of which \$1,000,000 shall be paid within forty-five (45) days of the date of the first commercial sale, \$1,000,000 shall be paid on the first anniversary of the first commercial sale; and \$500,000 shall be paid on the second anniversary of the date of the first commercial sale). In addition, \$1,000,000 shall be due and payable within forty-five (45) days following the date of the first commercial sale of a product in each of the following fields (a) infectious disease, (b) allergy, (c) autoimmune disease, and (d) any other therapeutic indications for which licensed products are developed. Therefore, the maximum total potential amount of milestone payments is \$3,500,000 in a cancer field. The milestone payments related to first sales are not expected prior to obtaining a regulatory approval to market and sell the Company's vaccines, and such regulatory approval is not expected within the next 5 years. In addition, the Licensor is entitled to receive a non-refundable \$157,134 payment of historical license costs. Under a licensing agreement, the Licensor is also entitled to receive royalties of 1.5% on net sales in all countries. In addition, we are obligated to reimburse the Licensor for all attorneys fees, expenses, official fees and other charges incurred in the preparation, prosecution and maintenance of the patents licensed from the Licensor.

Also pursuant to our restated and amended license agreement our option terms to license from the Licensor any new future invention conceived by either Dr. Paterson or Dr. Fred Frankel in the vaccine area were extend until June 17, 2009. We intend to expand our intellectual property base by exercising this option and gaining access to such future inventions. Further, our consulting agreement with Dr. Paterson provides, among other things, that, to the extent that Dr. Paterson's consulting work results in new inventions, such inventions will be assigned to Licensor, and we will have access to those inventions under license agreements to be negotiated. We recently exercised the option and have entered into negotiations to license up to 18 inventions. The license fees, legal expense, and other filing expenses for such 18 inventions are estimated to amount to \$400,000 over a period of several years. With each patent the Licensor can negotiate an initiation fee up to \$10,000 for each license.

Under a consulting agreement with the Company's scientific inventor, the Company is obligated to pay \$3,000 per month until the Company closes a \$3,000,000 equity financing, \$5,000 per month pursuant to a \$3,000,000 equity financing, \$7,000 per month pursuant to a \$6,000,000 equity financing, and \$9,000 per month pursuant to a \$9,000,000 equity financing.

We entered into a sponsored research agreement on December 6, 2006 with Penn and Dr. Paterson under which we are obligated to pay \$159,598 per year for a total period of 2 years covering the development of potential vaccine candidates based on our Listeria technology as well as other basic research projects.

Pursuant to a Clinical Research Service Agreement, the Company is obligated to pay \$522,000 to a vendor.

The Company is obligated under a non-cancelable operating lease for laboratory and office space expiring in May 31, 2008 with aggregate future minimum payments due amounting to \$40,348.

We have entered a consulting agreement with a biotech consultant. The Agreement commenced on January 7, 2005 and has a six month term, which was extended upon the agreement of both parties. The consultant provides three days per month service during the term of the agreement with assistance on its development efforts, reviewing our scientific technical and business data and materials and introducing us to industry analysts, institutional investors collaborators and strategic partners. As of October 1, 2007 we entered into a new two year agreement at a monthly fee of \$5,000 including 1,500,000 \$0.20 Warrants as consideration for his assistance in the raise on October 17, 2007 as well as his advisory services and assistance. This agreement is cancelable within 90 days notice.

We have entered into an agreement with a consultant to develop and manage our grant writing strategy and application program. Advaxis will pay a consultant according to a fee structure based on achievement of grants awarded to us at the rate of 6-7% of the grant amount. Advaxis will also pay a fixed consulting fees based on the type of grants submitted, ranging from \$5,000-\$7,000 depending on the type of application submitted to the national SBIR and related NIH/NCI programs.

We have entered into a nonexclusive license and bailment agreement with the Regents of the University of California ("UCLA") to commercially develop products using the XFL7 strain of *Listeria monocytogenes* in humans and animals. The agreement is effective for a period of 15 years and renewable by mutual consent of the parties. Advaxis is to pay UCLA an initial license fee and annual maintenance fees for use of the *Listeria*. We may not sell products using the XFL7 strain *Listeria* other than agreed upon products or sublicense the rights granted under the license agreement without the prior written consent of UCLA.

In July 2003, we entered into an agreement with a biomanufacturing company for the purpose of manufacturing our cervical cancer vaccine Lovaxin C. The agreement expired in December 2005 upon the delivery and completion of stability testing of the GMP material for the Phase I trial. The company has agreed to convert \$300,000 of its existing fees for manufacturing into future royalties from the sales of Lovaxin C at the rate of 1.5% of net sales, with payments not to exceed \$1,950,000. In November 2005, in order to cover Lovaxin C on a long-term basis and to cover other drug candidates which we are developing, we entered into a Strategic Collaboration and Long-Term Vaccine Supply Agreement for *Listeria* Cancer Vaccines, under which the company agreed to manufacture experimental and commercial supplies of our *Listeria* cancer vaccines. In May 2007 we entered into a research and development consulting service agreement for manufacturing work in the amount of \$94,500 plus consumables. As of October 31, 2007 we've paid \$85,657 excluding consumables. In October, 2007 we entered into an additional production agreement to manufacture our phase II clinical materials using a new methodology now required by the UK, and likely to be required by other regulatory bodies in the future. The contract is for \$576,450 plus consumables and as of October 31, 2007 we have paid \$194,408 excluding consumables.

The Company entered into a consulting agreement with LVEP Management LLC (LVEP) dated as of January 19, 2005, and amended on April 15, 2005, and October 31, 2005, pursuant to which Mr. Roni Appel served as Chief Executive Officer, Chief Financial Officer and Secretary of the Company and was compensated by consulting fees paid to LVEP. LVEP is owned by the estate of Scott Flamm (deceased January 2006) previously, one of our directors and a principal shareholder. Pursuant to an amendment dated December 15, 2006 ("effective date") Mr. Appel resigned as President and Chief Executive Officer and Secretary of the Company on the effective date, but remains as a board member and consultant to the company. The term of the agreement as amended is 24 months from effective date. Mr. Appel will devote 50% of his time to the company over the first 12 months of the consulting period. Also as a consultant, he will be paid at a rate of \$22,500 per month in addition to benefits as provided to other company officers. He will receive severance payments over an additional 12 months at a rate of \$10,416.67 per month and shall be reimbursed for family health care. All his stock options vested fully on the effective date and are exercisable over the option contract life. The Company recorded a charge to its statement of operations in fiscal 2007 for the effect of the modification of these options. Also, Mr. Appel was issued 1,000,000 shares of our common stock in January 2007. He received a \$250,000 bonus of which \$100,000 was paid on January 2, 2007 and the remainder was paid in October 2007.

We have entered into a consulting agreement with a consultant, whereby he will assist us in the preparation and refinement of our marketing summary and presentation materials and introduce us to predefined pharmaceutical and biotechnology companies which may be interested in strategic partnerships. The consultant will receive a monthly cash fee of \$1,500 and approved expenses, and in addition success based compensation payable in cash and stock ranging from 5% to 4% of transaction proceeds, upon completion of a transaction with a strategic partner introduced by the consultant. The agreement was terminated in December 2007.

We have entered into a master service agreement with Apothecaries Limited on September 20, 2006, a contract research organization (CRO) for the purpose of providing us with clinical trial management services in the country of India in connection with our Phase I/II clinical trial in Lovaxin C. Under the agreement we will pay Apothecaries amounts based on certain criteria detailed in the agreement such as clinical sites qualified (\$1,500 per site), submitting and obtaining regulatory approval (\$17,000), and numbers of patients enrolled to the clinical trial (\$7,500 for each treated patient). If regulatory approval shall be obtained and 10 patients shall be recruited and treated in 6 clinical sites, we shall pay Apothecaries a total of \$101,000. This project was placed on hold until our next clinical trial.

We entered into an agreement with Investor Relations Group (IRG) whereby IRG will serve as an investor relations and public relations consultant. The term of this agreement is on a month to month basis. In consideration for performing its services, SGI is to be paid \$10,000 per month plus out of pocket expenses, and 200,000 common shares over a period of 18 months commencing October 1, 2005, provided the agreement has not terminated. As of October 31, 2007 we issued 200,000 shares per the agreement.

We entered into an agreement and an amendment No. 1 with a consulting firm to provide biologics regulatory consulting services to the Company in support of the IND submission to the FDA. The tasks to be performed under this Agreement will be agreed to in advance by the Company and consulting firm. The term of the amendment is from June 1, 2007 to June 1, 2008. This is a time and material agreement.

In May 2007 we entered into a Master Service Agreement covering three projects to serve in clinical study planning, management and execution for our upcoming Phase II clinical study. The cost of the three projects are estimated to be approximately \$350,000 over the term. As of October 31, 2007 we've paid them \$47,000. The term of the projects is defined as the completion of the final study reports of the clinical trial.

Thomas Moore agreed to terms with the Company whereby he was named CEO and Chairman effective December 15, 2006 . He may also nominate one additional Board Member of his choice subject to the By-Laws. Mr. Moore receives a salary of \$250,000 annually. His salary increased to \$350,000 and he was granted 750,000 shares to be issued based on the terms of his employment agreement and the amount of the financial raise. He is eligible to receive an additional grant of 750,000 shares upon the raise of an additional \$6,000,000. He received a grant of 2,400,000 options at the price of \$0.143 per share as of December 15, 2006 to vest monthly over 2 years. Mr. Moore is eligible to receive an additional grant of 1,500,000 shares if the company stock is \$0.40 per share or higher over 40 consecutive days. He will receive a health care plan at no cost to him. In the event of a change of control and his termination by the company, he will receive one year severance of \$350,000.

The Company entered into an employment agreement with Dr. Vafa Shahabi PhD to become Head of Director of Science effective March 1, 2005, terminable on 30 days notice. Her current compensation is \$115,000 per annum with a potential bonus of \$20,000. In January 2006 she was paid a bonus in stock with a market value of \$14,800. In addition, Dr. Shahabi received, commencing July 1<sup>st</sup> 2006, a \$20,000 pay increase annually payable in shares to be issued every July 1<sup>st</sup> and January 1<sup>st</sup> (limited to conversion at \$0.20 share as minimum). She was granted 150,000 options on hire plus 250,000 options in fiscal year 2006. As of November 1, 2007 her base annual compensation was increased to \$135,000.

The Company entered into an employment agreement with Dr. John Rothman, PhD to become Vice President of Clinical Development effective March 7, 2005 for a term of one year ending February 28, 2006 and terminable on 30 days notice. His compensation is \$170,000 per annum, to increase to \$180,000 upon the closing of a \$15 million equity financing. Upon meeting incentives to be set by the Company, he will receive a bonus of up to \$45,000. In fiscal year 2006 he was paid a bonus of \$10,000 in cash plus \$14,800 in company stock. In fiscal year 2007 he was paid a \$45,000 bonus .Effective January 1, 2006 his salary increased by \$30,000 annually payable in stock to be issued every July 1<sup>st</sup> and January 1<sup>st</sup> (limited to conversion at \$0.20 share as minimum). In addition, Dr. Rothman was granted 360,000 stock options per his employment agreement with 150,000 in March 2006 and 300,000 in February 2007. As of November 1, 2007 his base annual compensation was increased to \$250,000.

The Company entered into an employment agreement with Fred Cobb to become Vice President of Finance effective February 20, 2006 terminable on 30 days notice. His compensation is \$140,000 per annum. Upon meeting incentives to be set by the Company, he will receive a bonus of up to \$28,000. In fiscal year 2007, he was paid a \$28,000 bonus. In July 1, 2006 his salary increased by \$20,000 annually payable in stock to be issued every July 1<sup>st</sup> and January 1<sup>st</sup> . In addition, Mr. Cobb was granted 150,000 stock options per his employment agreement and was granted an additional 150,000 options in March 2006 and 150,000 options February 2007. As of November 1, 2007 his base annual compensation was increased to \$180,000.

Cerus has filed an opposition against European Patent Application Number 0790835 (EP 835 Patent) which was granted by the European Patent Office and which is assigned to The Trustees of the University of Pennsylvania and exclusively licensed to us. Cerus' allegations in the Opposition are that the EP 835 Patent, which claims a vaccine for inducing a tumor specific antigen with a recombinant live *Listeria*, is deficient because of (i) insufficient disclosure in the specifications of the granted claims, (ii) the inclusion of additional subject matter in the granted claims, and (iii) a lack of inventive steps of the granted claims of the EP 835 Patent. On November 29, 2006, following oral proceedings, the Opposition Division of the European Patent Office determined that the claims of the patent as granted should be revoked due to lack of inventive step under European Patent Office rules based on certain prior art publications. This decision has no material effect upon our ability to conduct business as currently contemplated. We have reviewed the formal written decision and filed an appeal on May 29, 2007. As of December 31, 2007 no ruling has been made. There is no assurance that we will be successful. If such ruling is upheld on appeal, our patent position in Europe may be eroded. The likely result of this decision will be increased competition for us in the European market for recombinant live *Listeria* based vaccines for tumor specific antigens. Regardless of the outcome, we believe that our freedom to operate in Europe, or any other territory, for recombinant live *Listeria* based vaccine for tumor specific antigen products will not be diminished.

The Company is involved in various claims and legal actions arising in the ordinary course of business. Management is of the opinion that the ultimate outcome of these matters would not have a material adverse impact on the financial position of the Company or the results of its operations.

## 8. INCOME TAXES:

The Company has a net operating loss carry forward of approximately \$9,340,529 at October 31, 2007 available to offset taxable income through 2027. Due to change in control provisions, the Company's utilization of these losses may be limited. The tax effects of loss carry forwards give rise to a deferred tax asset and a related valuation allowance at October 31, 2007 as follows:

Net operating losses	\$ 3,736,212
Stock based compensation	378,517
Less valuation allowance	<u>(4,114,729)</u>
Deferred tax asset	<u>\$ -0-</u>

The difference between income taxes computed at the statutory federal rate of 34% and the provision for income taxes relates to the following:

	<u>Year ended</u> <u>October 31, 2005</u>	<u>Year ended</u> <u>October 31, 2006</u>	<u>Period from</u> <u>March 1, 2002</u> <u>(inception) to</u> <u>October 31, 2006</u>
Provision at federal statutory rate	34%	34%	34%
Valuation allowance	<u>(34)</u>	<u>(34)</u>	<u>(34)</u>
	<u>-0-%</u>	<u>-0-%</u>	<u>-0-%</u>

## 9. RECAPITALIZATION:

On November 12, 2004, Great Expectations and Associates, Inc. ("Great Expectations") acquired the Company through a share exchange and reorganization (the "Recapitalization"), pursuant to which the Company became a wholly owned subsidiary of Great Expectations. Great Expectations acquired (i) all of the issued and outstanding shares of common stock of the Company and the Series A preferred stock of the Company in exchange for an aggregate of 15,597,723 shares of authorized, but theretofore unissued, shares of common stock, no par value, of Great Expectations; (ii) all of the issued and outstanding warrants to purchase the Company's common stock, in exchange for warrants to purchase 584,885 shares of Great Expectations; and (iii) all of the issued and outstanding options to purchase the Company's common stock in exchange for an aggregate of 2,381,525 options to purchase common stock of Great Expectations, constituting approximately 96% of the common stock of Great Expectations prior to the issuance of shares of common stock of Great Expectations in the private placement described below. Prior to the closing of the Recapitalization, Great Expectations performed a 200-for-1 reverse stock split, thus reducing the issued and outstanding shares of common stock of Great Expectations from 150,520,000 shares to 752,600 shares. Additionally, 752,600 shares of common stock of Great Expectations were issued to the financial advisor in connection with the Recapitalization. Pursuant to the Recapitalization, there were 17,102,923 common shares outstanding in Great Expectations. As a result of the transaction, the former shareholders of Advaxis are the controlling shareholders of the Company. Additionally, prior to the transaction, Great Expectations had no substantial assets. Accordingly, the transaction is treated as a recapitalization, rather than a business combination. The historical financial statements of Advaxis are now the historical financial statements of the Company. Historical shareholders' equity (deficiency) of Advaxis has been restated to reflect the recapitalization, and include the shares received in the transaction.

On November 12, 2004, the Company completed an initial closing of a private placement offering (the "Private Placement"), whereby it sold an aggregate of \$2.925 million worth of units to accredited investors. Each unit was sold for \$25,000 (the "Unit Price") and consisted of (a) 87,108 shares of common stock and (b) a warrant to purchase, at any time prior to the fifth anniversary following the date of issuance of the warrant, to purchase 87,108 shares of common stock included at a price equal to \$0.40 per share of common stock (a "Unit"). In consideration of the investment, the Company granted to each investor certain registration rights and anti-dilution rights. Also, in November 2004, the Company converted approximately \$618,000 of aggregate principal promissory notes and accrued interest outstanding into Units.

On December 8, 2004, the Company completed a second closing of the Private Placement, whereby it sold an aggregate of \$200,000 of Units to accredited investors.

On January 4, 2005, the Company completed a third and final closing of the Private Placement, whereby it sold an aggregate of \$128,000 of Units to accredited investors.

Pursuant to the terms of a investment banking agreement, dated March 19, 2004, by and between the Company and Sunrise Securities, Corp. (the "Placement Agent"), the Company issued to the Placement Agent and its designees an aggregate of 2,283,445 shares of common stock and warrants to purchase up to an aggregate of 2,666,900 shares of common stock. The shares were issued as part consideration for the services of the Placement Agent, as placement agent for the Company in the Private Placement. In addition, the Company paid the Placement Agent a total cash fee of \$50,530.

On January 12, 2005, the Company completed a second private placement offering whereby it sold an aggregate of \$1,100,000 of units to a single investor. As with the Private Placement, each unit issued and sold in this subsequent private placement was sold at \$25,000 per unit and is comprised of (i) 87,108 shares of common stock, and (ii) a five-year warrant to purchase 87,108 shares of our common stock at an exercise price of \$0.40 per share. Upon the closing of this second private placement offering the Company issued to the investor 3,832,753 shares of common stock and warrants to purchase up to an aggregate of 3,832,753 shares of common stock.

The aggregate sale from the four private placements was \$4,353,000, which was netted against transaction costs of \$329,673 for net proceeds of \$4,023,327.

Pursuant to a Securities Purchase Agreement dated February 2, 2006 (\$1,500,000 principal amount) and March 8, 2006 (\$1,500,000 principal amount) we issued to Cornell Capital Partners, LP ("Cornell") \$3,000,000 principal amount of the Company's Secured Convertible Debentures due February 1, 2009 (the "Debentures") at face amount, and five year Warrants to purchase 4,200,000 shares of Common Stock at the price of \$0.287 per share and five year B Warrants to purchase 300,000 shares of Common Stock at a price of \$0.3444 per share.

The Debentures are convertible at a price equal to the lesser of (i) \$0.287 per share (“Fixed Conversion Price”), or (ii) 95% of the lowest volume weighted average price of the Common Stock on the market on which the shares are listed or traded during the 30 trading days immediately preceding the date of conversion (“Market Conversion Price”). Interest is payable at maturity at the rate of 6% per annum in cash or shares of Common Stock valued at the conversion price then in effect.

Cornell has agreed that (i) it will not convert the Debenture or exercise the Warrants if the effect of such conversion or exercise would result in its and its affiliates’ holdings of more than 4.9% of the outstanding shares of Common Stock, (ii) neither it nor its affiliates will maintain a short position or effect short sales of the Common Stock while the Debentures are outstanding, and (iii) no more than \$300,000 principal amount of the Debenture may be converted at the Market Conversion Price during a calendar month.

On August 24, 2007, we issued and sold an aggregate of \$600,000 principal amount promissory notes bearing interest at a rate of 12% per annum and warrants to purchase an aggregate of 150,000 shares of our common stock to three investors including Thomas Moore, our Chief Executive Officer. Mr. Moore invested \$400,000 and received warrants for the purchase of 100,000 shares of Common Stock. The promissory note and accrued but unpaid interest thereon are convertible at the option of the holder into shares of our common stock upon the closing by the Company of a sale of its equity securities aggregating \$3,000,000 or more in gross proceeds to the Company at a conversion rate which shall be the greater of a price at which such equity securities were sold or the price per share of the last reported trade of our common stock on the market on which the common stock is then listed, as quoted by Bloomberg LP. At any time prior to conversion, we have the right to prepay the promissory notes and accrued but unpaid interest thereon. Mr. Moore converted his \$400,000 bridge investment into 2,666,667 shares of common stock and 2,000,000 \$0.20 Warrants based on the terms of the Private Placement. He was paid \$7,101 interest in cash.

On October 17, 2007, pursuant to a Securities Purchase Agreement, we completed a private placement resulting in \$7,384,235.10 in gross proceeds, pursuant to which we sold 49,228,334 shares of common stock at a purchase price of \$0.15 per share solely to institutional and accredited investors. Each investor received a five-year warrant to purchase an amount of shares of common stock that equals 75% of the number of shares of common stock purchased by such investor in the offering.

Concurrent with the closing of the private placement, the Company sold for \$1,996,700 to CAMOFI Master LDC and CAMHZN Master LDC, affiliates of its financial advisor, Centrecourt Asset Management (“Centrecourt”), an aggregate of (i) 10,000,000 shares of Common Stock, (ii) 10,000,000 warrants exercisable at \$0.20 per share, and (iii) 5-year warrants to purchase an additional 3,333,333 shares of Common Stock at a purchase price of \$0.001 per share (the “\$0.001 Warrants”). The Company and the two purchasers agreed that the purchasers would be bound by and entitled to the benefits of the Securities Purchase Agreement as if they had been signatories thereto. The \$0.20 Warrants and \$0.001 Warrants contain the same terms, except for the exercise price. Both warrants provide that they may not be exercised if, following the exercise, the holder will be deemed to be the beneficial owner of more than 9.99% of the Company’s outstanding shares of Common Stock. Pursuant to a consulting agreement dated August 1, 2007 with Centrecourt with respect to the anticipated financing, in which Centrecourt was engaged to act as the Company’s financial advisor, Registrant paid Centrecourt \$328,000 in cash and issued 2,483,333 warrants exercisable at \$0.20 per share to Centrecourt, which Centrecourt assigned to the two affiliates.

All of the \$0.20 Warrants and \$0.001 Warrants provide for adjustment of their exercise prices upon the occurrence of certain events, such as payment of a stock dividend, a stock split, a reverse split, a reclassification of shares, or any subsequent equity sale, rights offering, *pro rata* distribution, or any fundamental transaction such as a merger, sale of all of its assets, tender offer or exchange offer, or reclassification of its common stock. If at any time after October 17, 2008 there is no effective registration statement registering, or no current prospectus available for, the resale of the shares underlying the warrants by the holder of such warrants, then the warrants may also be exercised at such time by means of a “cashless exercise.”

In connection with the private placement, we entered into a registration rights agreement with the purchasers of the securities pursuant to which we agreed to file a registration statement with the Securities and Exchange Commission with an effectiveness date within 90 days after the final closing of the offering. The resale of 49,228,334 shares of common stock and 36,921,250 shares underlying the warrants is being registered in its prospectus. The registration statement is anticipated to be declared effective on January 18, 2008. See Item 1: “Description of Business - Recent Developments.”

At the closing of this private placement, we exercised our right under an agreement dated August 23, 2007 with YA Global Investments, L.P. f/k/a Cornell Capital Partners, L.P. (“Yorkville”), to redeem the outstanding \$1,700,000 principal amount of our Secured Convertible Debentures due February 1, 2009 owned by Yorkville, and to acquire from Yorkville warrants expiring February 1, 2011 to purchase an aggregate of 4,500,000 shares of our common stock. We paid an aggregate of (i) \$2,289,999 to redeem the debentures at the principal amount plus a 20% premium and accrued and unpaid interest, and (ii) \$600,000 to repurchase the warrants.

## **Item 8: Changes In and Disagreements With Accountants on Accounting and Financial Disclosure**

NONE

## **Item 8A: Controls And Procedures**

Evaluation of Disclosure Controls And Procedures.

As of the end of the period covered by this report, we carried out an evaluation, under the supervision and with the participation of our principal executive officer and principal financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures. Our disclosure controls and procedures are designed to provide a reasonable level of assurance that our disclosure control objectives are achieved. Our principal executive officer and principal financial officer has concluded that our disclosure controls and procedures are, in fact, effective at providing this reasonable level of assurance as of the period covered.

#### Changes In Internal Controls Over Financial Reporting

In connection with the evaluation of our internal controls during our last fiscal quarter, our principal executive officer and principal financial officer has determined that there are no changes to our internal controls over financial reporting that has materially affected, or is reasonably likely to materially effect, our internal controls over financial reporting.

#### Item 8 B: Other Information.

NONE

### PART III

#### Item 9: Directors, Executive Officers, Promoters, Control Persons and Corporate Governance; Compliance With Section 16(a) of the Exchange Act.

##### Executive Officers, Directors, and Key Employees

The following are our executive officers and directors and their respective ages and positions as of October 31, 2007:

Name	Age	Position
Thomas Moore (1)	56	Chief Executive Officer and Chairman of the Board of Directors
Dr. James Patton (2)	50	Director
Roni A. Appel (1) (4)	40	Director
Dr. Thomas McKearn (3)	56	Director
Richard Berman (2) (3) (4)	63	Director
Martin R. Wade III	56	Director
Dr. John Rothman	59	Vice President, Clinical Development
Fred Cobb	60	Vice President, Finance and Principal Financial Officer

(1) Member of the Nominating and Corporate Governance Committee

(2) Member of the Audit Committee

(3) Member of the Compensation Committee

(4) Member of the Finance Committee

**Thomas A. Moore.** Effective December 15, 2006, Thomas Moore was appointed our Chairman and Chief Executive Officer. He is currently also a Director of El Dorado Inc., a targeted marketer to unassimilated Hispanics; Medmeme, which conducts key medical opinion leader profiling; MD Offices, an electronic medical records provider; and Opt-e-scrip, Inc., which markets a clinical system to compare multiple drugs in the same patient. He has also serves as Chairman of the Board of Directors of Mayan Pigments, Inc., which has developed and patented Mayan pigment technology. Previously, from June 2002 to June 2004 Mr. Moore was President and Chief Executive Officer of Biopure Corporation, a developer of oxygen therapeutics that are intravenously administered to deliver oxygen to the body's tissues. From 1996 to November 2000 he was President and Chief Executive Officer of Nelson Communications. Prior to 1996, Mr. Moore had a 23-year career with the Procter & Gamble Company in multiple managerial positions, including President of Health Care Products where he was responsible for prescription and over-the-counter medications worldwide, and Group Vice President of the Procter & Gamble Company.

Mr. Moore is subject to a five year injunction, which came about because of a civil action captioned Securities & Exchange Commission v. Biopure Corp. et al., No. 05-11853-PBS (D. Mass.), filed on September 14, 2005, which alleged that Mr. Moore made and approved misleading public statements about the status of FDA regulatory proceedings concerning a product manufactured by his former employer, Biopure Corp. Mr. Moore vigorously defended the action. On December 11, 2006, the SEC and Mr. Moore jointly sought a continuance of all proceedings based upon a tentative agreement in principle to settle the SEC action. The SEC's Commissioners approved the terms of the settlement, and the Court formally adopted the settlement.

**Dr. James Patton.** Dr. Patton, a Director since February 2002 served as Chairman of our Board of Directors from November 2004 until December 31, 2005 and as Advaxis' Chief Executive Officer from February 2002 to November 2002. Since February 1999, Dr. Patton has been the President of Comprehensive Oncology Care, LLC, which owns and operates a cancer treatment facility in Exton, Pennsylvania and as Vice President of Millennium Oncology Management, Inc., which provides technical services for oncology care to four sites. From February 1999 to September 2003, Dr. Patton also served as a consultant to LibertyView Equity Partners SBIC, LP, a venture capital fund based in Jersey City, New Jersey ("LibertyView"). From July 2000 to December 2002, Dr. Patton served as a director of Pinpoint Data Corp. From February 2000 to November 2000, Dr. Patton served as a director of Healthware Solutions. From June 2000 to June 2003, Dr. Patton served as a director of LifeStar Response. He earned his B.S. from the University of Michigan, his Medical Doctorate from Medical College of Pennsylvania, and his M.B.A. from the University of Pennsylvania's Wharton School. Dr. Patton was also a Robert Wood Johnson Foundation Clinical Scholar. He has published papers regarding scientific research in human genetics, diagnostic test performance and medical economic analysis.

**Roni A. Appel.** Mr. Appel has been a Director since November 2004. He was President and Chief Executive Officer from January 1, 2006 and Secretary and Chief Financial Officer from November 2004, until he resigned as Chief Financial Officer on September 7, 2006 and as President, Chief Executive Officer and Secretary on December 15, 2006. He has provided consulting services to us through LVEP Management, LLC, since January 19, 2005. From 1999 to 2004, he has been a partner and managing director of LVEP Equity Partners (f/k/a LibertyView Equity Partners). From 1998 until 1999, he was a director of business development at Americana Financial Services, Inc. From 1994 to 1998 he was an attorney and completed his MBA at Columbia University.

**Dr. Thomas McKearn.** Dr. McKearn has served as a member of our Board of Directors since July 2002. Prior thereto he served as an Advaxis director since July 2002. He brings to us a 20 plus year experience in the translation of biotechnology science into oncological products. First as one of the founders of Cytogen Corporation, then as an Executive Director of Strategic Science and Medicine at Bristol-Myers Squibb and now as the VP Medical Affairs at GPC-Biotech, McKearn has always worked at bringing the most innovative scientific findings into the clinic and through the FDA regulatory process for the ultimate benefit of patients who need better ways to cope with their afflictions. Prior to entering the then-nascent biotechnology industry in 1981, McKearn did his medical, graduate and post-graduate training at the University of Chicago and served on the faculty of the Medical School at the University of Pennsylvania.

**Richard Berman.** Mr. Berman has been a Director since September 1, 2005. In the last five years, he served as a professional director and/or officer of about a dozen public and private companies. He is currently Chairman of Nexmed, a public biotech company, National Investment Managers, and Secure Fortress Technology. Mr. Berman is a director of eight public companies: Dyadic International, Inc., Broadcaster, Inc., Easy Link Services International, Inc., NexMed, Inc., National Investment Managers, Advaxis, Inc., NeoStem, Inc., and Secure Fortress Technology Systems, Inc. Previously, Mr. Berman worked at Goldman Sachs and was Senior Vice President of Bankers Trust Company, where he started the M&A and Leverage Buyout Departments. He is a past Director of the Stern School of Business of NYU, where he earned a B.S. and an M.B.A. He also has law degrees from Boston College and The Hague Academy of International Law.

**Martin R. Wade III.** Mr. Wade was appointed to the Board on March 29, 2006. Since August 2001, he has been Chief Executive Officer of International Microcomputer Software Inc. Since May 2000, Mr. Wade has also been CEO of Bengal Capital Partners, LLC, a merger and acquisition firm. Mr. Wade currently serves as a Director of the following publicly traded companies: International Microcomputer Software Inc., Alliance One, Inc., Nexmed and Command Security Corp. He is a Director and the Chairman of the Audit Committee of Command Security Corp. From April 2000 until December 2001, Mr. Wade served as Chief Executive Officer, Executive Vice President and Director of Digital Creative Development Corporation, an acquisition and investment company. From June 1998 until April 2000, Mr. Wade was as Managing Director of Investment Banking for Prudential Securities, Inc. Prior to joining Prudential Securities, Inc. in 1998, Mr. Wade served in progressive management roles with Bankers Trust Company, Lehman Brothers, CJ Lawrence, Morgan Grenfell, Price Waterhouse Company and Salomon Brothers over a 23 year period. Mr. Wade has been deeply involved in mergers and acquisitions, corporate finance and investment banking throughout his career. Mr. Wade received a Master of Business Administration in Finance from the University of Wyoming in 1975 and a Bachelor of Science in Business Administration from West Virginia University in 1971. From 1971 through 1975, Mr. Wade also served as a Captain in the United States Air Force.

**John Rothman, Ph.D.** Dr. Rothman joined us in March 2005 as Vice President of Clinical Development. From 2002 to 2005, Dr. Rothman was Vice President and Chief Technology Officer of Princeton Technology Partners. Prior to that he was involved in the development of the first interferon at Schering Inc, was director of a variety of clinical development sections at Hoffman LaRoche, and the Senior Director of Clinical Data Management at Roche. While at Roche his work in Kaposi's Sarcoma became the clinical basis for the first filed BLA which involved the treatment of AIDS patients with interferon.

**Fredrick D. Cobb.** Mr. Cobb joined us in February 2006 as the Vice President of Finance and on September 7, 2006 was appointed Principal Financial Officer (PFO) and Assistant Secretary. He was the PFO and Corporate Controller for Metaphore Pharmaceuticals Inc., a private company, from June 2004 to December 2005 and PFO and Corporate Controller at the public company Emisphere Technologies, Inc. from 2001 until 2004. Prior thereto he served as Vice President and Chief Financial Officer at MetaMorphix, Inc from 1997 to 2000. Formerly Mr. Cobb served as Group Director of Bristol Myers-Squibb Science and Technology Group, where he had a 12-year career in senior financial roles. Mr. Cobb holds an M.S. in Accounting from Seton Hall University in 1997 and a B.S. degree in Management from Cornell University.

## **Board of Directors and Officers**

Each director is elected for a period of one year at our annual meeting of stockholders and serves until the next such meeting and until his or her successor is duly elected and qualified. Officers are elected by, and serve at the discretion of, our board of directors. Our directors, other than Mr. Berman who since joining the Board received a fee of \$2,000 per month payable in shares of our common stock (at \$0.50 per share), do not presently receive any compensation for their services as directors. The board of directors may also appoint additional directors up to the maximum number permitted under our by-laws, currently nine. A director appointed will hold office until the next annual meeting of stockholders. Each of our executive officers serves at the discretion of its board of directors subject to the terms of his employment agreement and holds office until his or her successor is elected or until his or her earlier resignation or removal in accordance with our articles of incorporation and by-laws.

## **Meetings and Committees of the Board of Directors**

During the year ended October 31, 2007 our board of directors held seven meetings and during the year ended October 31, 2006, our board of directors held three meetings and took action by written consent on three occasions.

### **Audit Committee**

#### **Audit Committee**

The Audit Committee of the board of directors was established in November 2004. The Committee now consists of Mr. Berman and Dr. Patton with Mr. Berman serving as the Audit Committee's financial expert as defined under Item 401(e) of Regulation S-B of the Securities Act of 1933. The Board of Directors has determined that the audit committee financial expert is independent as defined in (i) Rule 10A-3(b)(i)(ii) under the Securities Exchange Act of 1934 (the "Exchange Act") and (ii) under Section 121 B(2)(a) of the AMEX Company Guide (although our securities are not listed on the American Stock Exchange but are listed on the Over-The-Counter Bulletin Board (OTC:BB)). The Audit Committee held four meetings during the year ended October 31, 2007.

The Audit Committee is responsible for the following:

- reviewing the results of the audit engagement with the independent registered public accounting firm;
- identifying irregularities in the management of our business in consultation with our independent accountants, and suggesting an appropriate course of action;
- reviewing the adequacy, scope, and results of the internal accounting controls and procedures;
- reviewing the degree of independence of the auditors, as well as the nature and scope of our relationship with our independent registered public accounting firm;
- reviewing the auditors' fees; and
- recommending the engagement of auditors to the full board of directors.

## Compensation Committee

The Compensation Committee of the board of directors was established in November 2004. The committee now consists of Mr. Berman and Dr. McKearn. The Compensation Committee held two meetings during the year ended October 31, 2007. The Compensation Committee determines the salaries, incentive compensation of our officers subject to applicable employment agreements, and provides recommendations for the salaries and incentive compensation of our other employees and consultants.

## Compensation Issuance and Analyses

The Committee's goal is to structure our compensation program to attract, motivate, reward and retain the management talent required to achieve corporate objectives and thereby increase stockholder value. Its policy is to provide incentives to our senior management to achieve both short-term and long-term objectives and to reward exceptional performance and contributions to the development of our business. Accordingly, the program seeks to provide a competitive base salary, cash incentive bonuses and stock-based compensation.

Stock options have been granted to our senior executive officer by the board of directors or the Compensation Committee under the Stock Option Plans. The Committee believes that stock options provide an incentive that focuses the executive's attention on managing us from the perspective of an owner with an equity stake in the business. Options are awarded with an exercise price equal to the market value of common stock on the date of grant, have a maximum term of ten years and generally become exercisable, in whole or in part, starting one year from the date of grant. Among our executive officers, the number of shares subject to options granted to each individual generally depends upon the level of that officer's responsibility. The largest grants are awarded to the most senior officers who, in our view, have the greatest potential impact on our profitability and growth. Previous grants of stock options are reviewed but are not considered the most important factor in determining the size of any executive's stock option award in a particular year. The Compensation Committee reserves the right to engage services of independent consultants to perform analyses and to make recommendations to the committee relative to executive compensation matters. None have been retained to date.

The Compensation Committee will annually establish, subject to the approval of the board of directors and any applicable employment agreements, the salaries to be paid to our executive officers during the coming year.

In setting salaries, the Committee takes into account several factors, including competitive compensation data, the extent to which an individual may participate in the stock plans maintained by us, and qualitative factors bearing on an individual's experience, responsibilities, management and leadership abilities and job performance.

## Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee of the board of directors established in November 2004, presently consists of Mr. Appel and Mr. Moore. The functions of the nominating and corporate governance include the following:

- identifying and recommending to the board of directors individuals qualified to serve as directors of the Company and on the committees of the board;
- advising the board with respect to matters of board composition, procedures and committees;
- developing and recommending to the board a set of corporate governance principles applicable to us and overseeing corporate governance matters generally including review of possible conflicts and transactions with persons affiliated with Directors or members of management; and
- overseeing the annual evaluation of the board and our management.

The Nominating and Corporate Governance Committee shall be governed by a charter, which we intend to adopt.

## Compliance with Section 16(a) of the Securities Exchange Act of 1934

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires our directors and executive officers and each person who owns more than ten percent of a registered class of our equity securities (collectively, "Reporting Persons") to file with the SEC initial reports of ownership and reports of changes in ownership of our common stock and our other equity securities. Reporting Persons are required by SEC regulation to furnish us with copies of all Section 16(a) forms that they file. Based solely on the Company's review of the copies of the forms received by it during the fiscal year ended October 31, 2007 and written representations that no other reports were required, the Company believes that each person who, at any time during such fiscal year, was a director, officer or beneficial owner of more than ten percent of the Company's common stock complied with all Section 16(a) filing requirements during such fiscal year.

## Code of Ethics

We have adopted a code of ethics that applies to our officers, employees and directors, including our principal executive officers, principal financial officer and principal accounting officer. The code of ethics sets forth written standards that are designated to deter wrongdoing and to promote:

- honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- full, fair, accurate, timely and understandable disclosure in reports and documents that a we file with, or submit to, the SEC and in other public communications made by us;
- compliance with applicable governmental laws, rules and regulations;
- the prompt internal reporting of violations of the code to an appropriate person or persons identified in our code of ethics; and
- accountability for adherence to our code of ethics.

A copy of our code of ethics has been filed with the SEC as an exhibit to our Form 8K dated November 12, 2004 and a copy of our code is posted on our website at [www.advaxis.com](http://www.advaxis.com).

## Item 10: Executive Compensation

The following table sets forth the information as to compensation paid to or earned by a Chief Executive Officer during the twelve months ended October 31, 2006 and 2007 by our former and current executive management: It also provides similar information for the other executive officers and employees, each of whom received total compensation in excess of \$100,000 for the year ended October 31, 2007:

Name and Principal Position	Year Ended October 31,	Salary (\$)	Bonus (\$)	Stock Award(s) (\$)	Option Award(s) (\$)	Non-Equity Incentive Plan Compensation (#)	Nonqualified Deferred Compensation Earnings (\$)	All Other Compensation	Total (\$)
Thomas Moore* CEO and Chairman	2007	\$ 220,769(1)	\$ -(2)	\$ 172,500(3)	\$ 129,813(4)	\$ -	\$ -	\$ 23,976(5)	\$ 547,058
	2006	-	-	-	-	-	-	-	-
	2005	-	-	-	-	-	-	-	-
Dr. John Rothman VP Clinical Development	2007	\$ 173,923	\$ 45,000(6)	\$ 35,508(7)	\$ 23,128(8)	-	-	\$ 27,497(9)	\$ 305,057
	2006	\$ 176,538	\$ 10,000(10)	\$ 14,800(11)	\$ 19,894(12)	-	-	\$ 23,328(13)	\$ 244,552
	2005	-	\$ 126,867	-	-	-	-	-	\$ 126,867
Fred Cobb VP Finance	2007	\$ 144,731	\$ 28,000(14)	\$ 16,360(15)	\$ 13,863(16)	-	-	\$ 9,358(17)	\$ 212,311
	2006	\$ 97,298	-	\$ (18)	\$ 4,592(19)	-	-	\$ 1,292(20)	\$ 103,181
	2005	-	-	-	-	-	-	-	-
Dr. Vafa Shahabi Director Research & Development	2007	\$ 119,154	\$ 20,000(21)	\$ 16,360(22)	\$ 14,529(23)	-	-	\$ 4,396(24)	\$ 174,438
	2006	\$ 104,702	-	\$ 14,800(25)	\$ 7,999(26)	-	-	\$ 3,288(27)	\$ 130,789
	2005	\$ 67,390	-	-	-	-	-	-	\$ 67,390
Roni Appel Former President, CEO, Secretary, CFO and Director	2007	\$ 229,167(28)	\$ 250,000(29)	\$ 200,000(30)	\$ 251,269(31)	-	-	\$ 35,590(32)	\$ 966,026
	2006	\$ 243,042	\$ 20,000(33)	\$ 44,048(34)	\$ 131,229(35)	-	-	\$ 53,774(36)	\$ 492,092
	2005	\$ 136,500	-	\$ 3,014(37)	-	-	-	\$ 14,480(38)	\$ 185,567
J. Todd Derbin Former President and CEO	2007	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	2006	\$ 73,197(39)	-	\$ 3,833(40)	\$ 11,975(41)	-	-	\$ 4,043(42)	\$ 93,048
	2005	\$ 225,000	-	\$ 45,000(43)	117,429(41)	-	-	-	\$ 387,429

\*Thomas Moore joined the Company on December 15, 2006 as CEO and Chairman therefore no compensation was earned in fiscal year 2006.

1. In fiscal year 2007 his base annual compensation was \$250,000 and as of November 1, 2007 it was increased to \$350,000 based on the closing of the raise milestone per his employment agreement (the "agreement").

2. There was no bonus provided in his agreement.
3. Per his agreement he also earned 750,000 shares of the Company's common stock valued at \$0.23 per share (closing market price on October 17, 2007) based on the closing of the raise milestone. The stock has not yet been issued.
4. Per his agreement he was also granted 2,400,000 options of the Company's common stock at a market price \$0.143/share (December 15, 2006) vesting monthly over a 24 month period of which 1,200,001 are based on the grant date fair value price of \$0.1363 (valued using Black Sholes model).
5. Based on the Company's cost of his coverage for health care and the payment of interest earned on his Bridge loan to the Company.
6. Cash bonus earned in fiscal year 2006 paid in fiscal year 2007.
7. Compensation paid in stock in lieu of cash. The calculation prorates \$30,000 on a monthly basis divided by the average monthly stock price with the minimum set at \$0.20/share. The value is based on the market price when the shares are issued.
8. Based on the vesting of options for three grants (810,000 granted) of the Company's common stock at a market price ranging from \$0.287/share to \$0.165/share vesting monthly over a 4 year period based on the grant date fair value price ranging from \$0.25 to \$0.10 (valued using Black Sholes model).
9. Based on the Company's cost of his coverage for health care and the 401K Company match.
10. Cash bonus earned in fiscal year 2005 paid in fiscal year 2006.
11. Compensation in stock in lieu of cash. Earned 80,000 shares of common stock in fiscal 2005 issued in fiscal 2006.
12. Based on the vesting of options for two grants (510,000 granted) of the Company's common stock at a market price ranging from \$0.287/share to \$0.165/share vesting monthly over a 4 year period based on the grant date fair value price ranging from \$0.25 to \$0.10 (valued using Black Sholes model).
13. Based on the Company's cost of his coverage for health care and the 401K Company match.
14. Cash bonus earned in fiscal year 2006 paid in fiscal year 2007.
15. Compensation paid in stock in lieu of cash. The calculation prorates \$20,000 on a monthly basis divided by the average monthly stock price with the minimum set at \$0.20/share. The value is based on the market price when the shares are issued.
16. Based on the vesting of options for three grants (450,000 granted) of the Company's common stock at a market price ranging from \$0.26/share to \$0.16/share vesting monthly over a 4 year period based on the grant date fair value price ranging from \$0.25 to \$0.154 (valued using Black Sholes model).
17. Based on the Company's cost of the 401K Company match.
18. Compensation in stock in lieu of cash. The calculation prorates \$20,000 on a monthly basis divided by the average monthly stock price with the minimum set at \$0.20/share. The program commenced in July 2006 therefore this amount represents only a 4 months accrual but no stock was issued in Fiscal 2006.

19. Based on the vesting of options for two grants (300,000 granted) of the Company's common stock at a market price ranging from \$0.26/share to \$0.16/share vesting monthly over a 4 year period based on the grant date fair value price ranging from \$0.25 to \$0.154 (valued using Black Sholes model).
20. Based on the Company's cost of the 401K Company match.
21. Cash bonus earned in fiscal year 2006 paid in fiscal year 2007.
22. Compensation paid in stock in lieu of cash. The calculation prorates \$20,000 on a monthly basis divided by the average monthly stock price with the minimum set at \$0.20/share. The value is based on the market price when the shares are issued.
23. Based on the vesting of options for three grants (400,000 granted) of the Company's common stock at a market price ranging from \$0.287/share to \$0.16/share vesting monthly over a 4 year period based on the grant date fair value price ranging from \$0.23 to \$0.10 (valued using Black Sholes model).
24. Based on the Company's cost of the 401K Company match.
25. Includes compensation in stock in lieu of cash. Earned 80,000 shares of common stock in fiscal 2005 issued in fiscal 2006.
26. Based on the vesting of options for three grants (400,000 granted) of the Company's common stock at a market price ranging from \$0.287/share to \$0.16/share vesting monthly over a 4 year period based on the grant date fair value price ranging from \$0.23 to \$0.10 (valued using Black Sholes model).
27. Based on the Company's cost of the 401K Company match.
28. Mr. Appel served as consultant (LVEP) in the capacity of Secretary and CFO in 2004 and 2005. He was appointed President and CEO on January 1, 2006. He resigned his position of President, CEO and Secretary on December 15, 2006 and resigned from his CFO position on September 7, 2006. Pursuant to the consulting agreement, dated as of January 19, 2005, and amended on April 15, 2005, October 31, 2005, and December 15, 2006, the consultant continues as a director and consultant to the Company and over the 24 month term of the agreement, as amended, is to devote 50% of his time to perform consulting services over the first 12 months of the consulting period and be paid at an annual rate of \$250,000 with benefits. He is to receive severance payments over an additional 12 months of \$10,416.67 per month and be reimbursed for family health care. Mr. Appel's compensation was paid through our consulting agreement with LVEP.
29. Represents a 2006 cash bonus of \$250,000 paid in calendar and fiscal year 2007 per his amended consulting agreement dated December 15, 2006.
30. Include the 1,000,000 shares of common stock awarded on December 15, 2006 and issued on January 3, 2007 per his amended consulting agreement dated December 15, 2006.
31. Based on the vesting, accelerated vesting (as per his amended agreement of December 15, 2006) and changes in the fair value of options for two grants: (i) 1,114,344 granted at \$0.287/share and (ii) 1,173,179 granted at \$0.217/share of the Company's common stock at the fair market value of \$0.1785/share and \$0.1834/share, respectively using Black Sholes model.
32. Other: reimbursements for payroll taxes, healthcare cost, workers compensation, 401K match and employment related cost.
33. Represents 2005 bonus of \$20,000 cash paid in 2006
34. Represents 2005 bonus in stock 238,528 shares paid in 2006 at \$0.185/share.
35. Based on the vesting for two grants: (i) 1,114,344 granted at \$0.287/share and (ii) 1,173,179 granted at \$0.217/share of the Company's common stock at the fair market value of \$0.1790/share and \$0.1806/share, respectively using Black Sholes model.
36. Based on the Company's cost of his coverage for health care, payroll taxes and 401K Company match.
37. Assumed company stock of 10,500 shares in lieu of bonus a \$0.287/share.
38. Healthcare and visa expenses
39. Mr. Derbin resigned as President and CEO on December 31, 2005 and as a Director September 7, 2006.
40. His 2005 bonus of \$3,850 was paid in 2006 by issuance of 17,422 shares of Company's Common Stock based on \$0.22 per share.
41. Based on the vesting of grants and its fair market value using the Black Sholes model. All vested options expired unused as of January 1, 2007.
42. Health care insurance
43. His 2004 bonus of \$45,000 was paid in 2005 by issuance of 156,974 shares of common stock valued at \$0.287 per share.

## Director Compensation Table 2007

This table represents their compensation paid to our directors during the year end of October 31, 2007

Name	Year	Fees Earned or Paid in Cash (\$)	Stock Awards (\$)	Option Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Nonqualified Deferred Compensation Earnings (\$)	All other Compensation (\$)	Total (\$)
Thomas A. Moore	2007	-	-	-	-	-	-	-
	2006	-	-	-	-	-	-	-
	2005	-	-	-	-	-	-	-
Roni A. Appel	2007	-	-	-	-	-	-	-
	2006	-	-	-	-	-	-	-
	2005	-	-	-	-	-	-	-
Dr. James Patton	2007	-	-	-	-	-	-	-
	2006	-	-	-	-	-	-	-
	2005	-	-	479	-	-	-	479
Dr. Thomas McKearn	2007	-	-	11,424(1)	-	-	-	11,424
	2006	-	-	9,143(1)	-	-	-	9,143
	2005	-	-	4,242(1)	-	-	-	4,242
Martin R. Wade III	2007	-	-	11,424(1)	-	-	-	11,424
	2006	-	-	6,971(1)	-	-	-	6,971
	2005	-	-	-	-	-	-	-
Richard Berman	2007	-	8,640(2)	10,000(3)	-	-	-	18,640
	2006	-	11,680(2)	10,000(3)	-	-	-	21,680
	2005	-	-	11,000(3)	-	-	-	11,000

- Based on the vesting of 150,000 options of the Company's common stock granted on 3/29/2006 at a market price of \$0.261 share. Vests quarterly over a three year period at a fair value of \$0.1434 share value Black Scholes Model at grant date. In 2005 and 2006 based on vesting of 150,000 options of the Company's common stock granted on 10/1/2003 at a market price of \$0.1952 share. Vests quarterly over a three year period at a fair value of \$0.14 per share (Black Scholes Model).
- Receives \$2,000 a month in shares of the Company's stock valued at \$0.50 share. The value of the stock based on 4,000 shares times the average monthly values.
- Based on the vesting of 400,000 options of the Company's common stock granted on 2/1/2005 at a exercise price of \$0.287 share and the fair value of \$0.100/share. Vests quarterly over a four year period at a (value is Black Scholes model at grant date.)

### Option Grants In Recent Fiscal Years

The following table sets forth each grant of stock options during the twelve month period ended October 31, 2005, 2006 and 2007 to our current and former executive officers under the 2004 and 2005 stock option plans as well as the non plan. The assumed 5% and 10% rates of stock price appreciation are provided in accordance with rules of the SEC and do not represent our estimate or projection of our common stock price. Actual gains, if any, on stock option exercises are dependent on the future performance of our common stock, overall market conditions and the option holders' continued employment through the vesting period. Unless the market price of our common stock appreciates over the option term, no value will be realized from the option grants made to these executive officers. The potential realizable values shown in the table are calculated by assuming that the estimated fair market value of our common stock on the date of grant increases by 5% and 10%, respectively, during each year of the option term.

The outstanding stock options described above became options for our common stock upon the Share Exchange.

**Individual Grants**

Name	Year	Number Of Securities Underlying Options Granted	Percent Of Total Options Granted To Employees In Fiscal Period	Exercise Price	Expiration Date	Potential Realizable Value At Assumed Annual Rates of Stock Price Appreciation For Option Term(\$)	
						5%	10%
Thomas Moore CEO Chairman	2007	2,400,000(1)	82%	0.143	12/15/2016	\$ 215,756	\$ 545,919
	2006	-	-	-	-	-	-
	2005	-	-	-	-	-	-
Dr. John Rothman Vice President Clinical	2007	300,000	10%\$	0.165	2/15/2017	\$ 31,119	\$ 78,738
	2006	150,000	7%\$	0.26	3/29/2016	\$ 24,528	\$ 62,167
	2005	360,000	11%\$	0.29	3/1/2015	\$ 64,988	\$ 164,692
Fred Cobb Vice President Finance	2007	150,000	5%\$	0.165	2/15/2017	\$ 15,559	\$ 39,369
	2006	150,000	7%\$	0.26	2/20/2016	\$ 19,811	\$ 50,212
	2006	150,000	7%\$	0.16	9/20/2006	\$ 15,094	\$ 38,257
Dr. Vafa Shahabi Director of Research & Development	2007	-	-	-	-	-	-
	2006	100,000	5%\$	0.24	7/1/2016	\$ 15,094	\$ 38,257
	2006	150,000	7%\$	0.16	9/20/2016	\$ 15,094	\$ 38,257
	2005	150,000	5%\$	0.29	3/1/2015	\$ 22,641	\$ 57,385
Roni Appel * Secretary and Chief Executive Officer	2007	-	-	-	-	-	-
	2006	1,173,179(2)	53%\$	0.217	12/31/2015	\$ 160,113	\$ 405,809
	2005	1,114,344(3)	34%\$	0.29	3/31/2015	\$ 201,165	\$ 509,788
J. Todd Derbin (4)* President, Chief Executive Officer, and Director	2007	-	-	-	-	-	-
	2006	-	-	-	-	-	-
	2005	427,796	13%\$	0.29	2/1/2015	\$ 78,034	\$ 197,753

(1) As of December 15, 2006, 2,400,000 options were granted per his employment agreement.

(2) As of January 1, 2007, 1,356,237 previously granted and vested but unexercised options were forfeited.

(3) Reflects a grant in January 2006 post fiscal year end increasing the number of options to 5% of the outstanding shares and options of the Company as of December 31, 2005.

(4) As of January 1, 2007 all options granted to Mr. Derbin expired unexercised.

\* Resigned

### Aggregate Option Exercises In Last Fiscal Year And Fiscal Year-End Option Values

No options were exercised by a current or past executive officer in the 12 months ended October 31, 2005 and 2006 and 2007. The following table sets forth the value of unexercised options with respect to each of the named executive and former executive officers.

Name	Year	Shares Acquired On Exercise	Number Of Securities Underlying Unexercised Options At Fiscal Year-End (1)		Value Of Unexercised In-The-Money Options At Fiscal Year-End(\$)(2)	
			Exercisable	Unexercisable	Exercisable	Unexercisable
Thomas Moore CEO and Chairman	2007	0	1,000,000(3)	57,000	\$ 1,400,000	\$ 79,800
	2006					
	2005	0	-	-	-	-
Dr. John Rothman VP Clinical Development	2007	0	281,250	528,750	\$ -	\$ 10,500
	2006	0	135,000	375,000	\$ -	\$ -
	2005	0	-	360,000	\$ -	\$ -
Fred Cobb Vice President Finance	2007	0	150,000	300,000	\$ 1,500	\$ 12,750
	2006	0	-	300,000	\$ -	\$ 6,000
	2005	0	-	-	-	-
Dr. Vafa Shahabi Director Research & Development	2007	0	162,500	237,500	\$ 1,500	\$ 4,500
	2006	0	56,250	343,750	\$ -	\$ 6,000
	2005	0	-	150,000	\$ -	\$ -
Roni Appel (4) Secretary, Chief Financial Officer, and Director	2007	0	2,379,090	-	-	-
	2006	0	997,045	1,382,045	\$ -	\$ -
	2005	0	254,075	951,835	\$ -	\$ -
J. Todd Derbin President, Chief Executive Officer, and Director	2007	0	-	-	\$ 0	\$ 0
	2006	0	1,356,236(5)	-	\$ 4,445	\$ -
	2005	0	1,273,135	83,101	\$ 47,033	\$ 4,017

- (1) Certain of the options are immediately exercisable of the date of grant but any shares purchased are subject to repurchase by us at the original exercise price paid per share if the optionee ceases service with us before vesting in such shares
- (2) The price at end of fiscal year ending October 31, 2007 and 2006 is based on the closing price of \$0.20 per share for both dates. In 2005 the price is based on a price per share of \$0.25, the highest-bid price on October 31, 2005 quoted on the OTC:BB.
- (3) As of December 15, 2006 he was granted 2,400,000 options at a strike price of \$0.143 vesting monthly over a 24 month period per his hiring agreement.
- (4) As of December 15, 2006 all Mr. Appel's options become fully vested and are exercisable until the end of the contract.
- (5) As of January 1, 2007 all these options were unexercised and forfeited.

#### Board of Directors Compensation

With the exception of Mr. Berman who receives \$2,000 a month in shares of Common Stock at a set price of \$0.50 per share (4,000 shares), none of our directors so far has received any compensation for his services as a director other than stock options and reimbursement of expenses. Each director is granted options upon joining the board and as the compensation Committee so directs.

## **2004 Stock Option Plan**

In November 2004, our board of directors adopted and stockholders approved the 2004 Stock Option Plan (“2004 Plan”). The 2004 Plan provides for the grant of options to purchase up to 2,381,525 shares of our common stock to employees, officers, directors and consultants. Options may be either “incentive stock options” or non-qualified options under the Federal tax laws. Incentive stock options may be granted only to our employees, while non-qualified options may be issued, in addition to employees, to non-employee directors, and consultants.

The 2004 Plan is administered by “disinterested members” of the board of directors or the Compensation Committee, who determine, among other things, the individuals who shall receive options, the time period during which the options may be partially or fully exercised, the number of shares of common stock issuable upon the exercise of each option and the option exercise price.

Subject to a number of exceptions, the exercise price per share of common stock subject to an incentive option may not be less than the fair market value per share of common stock on the date the option is granted. The per share exercise price of the common stock subject to a non-qualified option may be established by the board of directors, but shall not, however, be less than 85% of the fair market value per share of common stock on the date the option is granted. The aggregate fair market value of common stock for which any person may be granted incentive stock options which first become exercisable in any calendar year may not exceed \$100,000 on the date of grant.

No stock option may be transferred by an optionee other than by will or the laws of descent and distribution, and, during the lifetime of an optionee, the option will be exercisable only by the optionee. In the event of termination of employment or engagement other than by death or disability, the optionee will have no more than three months after such termination during which the optionee shall be entitled to exercise the option to the extent vested at termination, unless otherwise determined by the board of directors. Upon termination of employment or engagement of an optionee by reason of death or permanent and total disability, the optionee’s options remain exercisable for one year to the extent the options were exercisable on the date of such termination. No similar limitation applies to non-qualified options.

We must grant options under the 2004 Plan within ten years from the effective date of the 2004 Plan. The effective date of the Plan was November 12, 2004. Subject to a number of exceptions, holders of incentive stock options granted under the Plan cannot exercise these options more than ten years from the date of grant. Options granted under the 2004 Plan generally provide for the payment of the exercise price in cash and may provide for the payment of the exercise price by delivery to us of shares of common stock already owned by the optionee having a fair market value equal to the exercise price of the options being exercised, or by a combination of these methods. Therefore, if it is provided in an optionee’s options, the optionee may be able to tender shares of common stock to purchase additional shares of common stock and may theoretically exercise all of his stock options with no additional investment other than the purchase of his original shares.

Any unexercised options that expire or that terminate upon an employee’s ceasing to be employed by us become available again for issuance under the 2004 Plan.

## **2005 Stock Option Plan**

In June 2006, our board of directors adopted and stockholders approved on June 6, 2006, the 2005 Stock Option Plan (“2005 Plan”).

The 2005 Plan provides for the grant of options to purchase up to 5,600,000 shares of our common stock to employees, officers, directors and consultants. Options may be either “incentive stock options” or non-qualified options under the Federal tax laws. Incentive stock options may be granted only to our employees, while non-qualified options may be issued to non-employee directors, consultants and others, as well as to our employees.

The 2005 Plan is administered by “disinterested members” of the board of directors or the compensation committee, who determine, among other things, the individuals who shall receive options, the time period during which the options may be partially or fully exercised, the number of shares of common stock issuable upon the exercise of each option and the option exercise price.

Subject to a number of exceptions, the exercise price per share of common stock subject to an incentive option may not be less than the fair market value per share of common stock on the date the option is granted. The per share exercise price of the common stock subject to a non-qualified option may be established by the board of directors, but shall not, however, be less than 85% of the fair market value per share of common stock on the date the option is granted. The aggregate fair market value of common stock for which any person may be granted incentive stock options which first become exercisable in any calendar year may not exceed \$100,000 on the date of grant.

Except when agreed by the board or the administrator of the 2005 Plan, no stock option may be transferred by an optionee other than by will or the laws of descent and distribution, and, during the lifetime of an optionee, the option will be exercisable only by the optionee. In the event of termination of employment or engagement other than by death or disability, the optionee will have no more than three months after such termination during which the optionee shall be entitled to exercise the option, unless otherwise determined by the board of directors. Upon termination of employment or engagement of an optionee by reason of death or permanent and total disability, the optionee's options remain exercisable for one year to the extent the options were exercisable on the date of such termination. No similar limitation applies to non-qualified options.

We must grant options under the 2005 Plan within ten years from the effective date of the 2005 Plan. The effective date of the Plan was January 1, 2005. Subject to a number of exceptions, holders of incentive stock options granted under the 2005 Plan cannot exercise these options more than ten years from the date of grant. Options granted under the 2005 Plan generally provide for the payment of the exercise price in cash and may provide for the payment of the exercise price by delivery to us of shares of common stock already owned by the optionee having a fair market value equal to the exercise price of the options being exercised, or by a combination of these methods. Therefore, if it is provided in an optionee's options, the optionee may be able to tender shares of common stock to purchase additional shares of common stock and may theoretically exercise all of his stock options with no additional investment other than the purchase of his original shares.

Any unexercised options that expire or that terminate upon an employee's ceasing to be employed by us become available again for issuance under the 2005 Plan.

## Employment Agreements

*Thomas A. Moore.* On August 21, 2007, the Company and Mr. Moore executed an employment agreement memorializing their oral agreement on December 15, 2006. It provides for him to receive an annual salary of \$250,000 which increased to \$350,000 upon the sale by the Company in October 2007 of its securities for gross proceeds of at least \$4,000,000 (the gross proceeds were \$9,689,000) which pursuant to the terms of the agreement will entitle him to receive in event of termination of his employment by the Company severance equal to a year's salary at the then compensation level. If the Company effects sales of securities during his term for 10,000,000 (including the foregoing sale) the agreement provides that he is to be granted an additional 750,000 shares of our common stock. On December 15, 2006 the commencement date of his employment he was granted a five year option to purchase 2,400,000 shares of our common stock a price of \$0.143 per share (market close 12/15/2006) which vest in equal monthly installments over a 24 month period ending December 2008). The agreement also provides for an award to him of 2,400,000 shares of common stock if during his term the "market price" as defined of our common stock is at least \$0.40 per share for 40 consecutive days. The agreement also provides for the grant of the options to be granted under the agreement and 100% vesting of all his options upon a sale or change of control of the Company while he is employed.

*Vafa Shahabi, Ph.D.* Dr. Shahabi has been Head of Director of Science effective March 1, 2005, terminable on 30 days. Her duties are to work on and/or manage research and development projects as specified by the Company. The compensation is \$115,000 per annum with a potential bonus of \$20,000. In addition, Dr. Shahabi was granted 150,000 options per her employment agreement, 100,000 in July 2006 and 150,000 in September. In July 1, 2006 his salary increased by \$20,000 annually payable in stock to issued every July 1st and January 1st. As of November 1, 2007 her base compensation was increased to \$135,000.

*Dr. John Rothman.* The Company entered into an employment agreement with Dr. Rothman, Ph.D to become Vice President of Clinical Development effective March 7, 2005 for a term of one year ending February 28, 2006 and terminable thereafter 30 days notice. His compensation is \$170,000 per annum, to increase to \$180,000 upon the closing of a \$15 million equity financing. Upon meeting incentives to be set by the Company, he will receive a bonus of up to \$45,000. In fiscal year 2006 he was paid a bonus of \$10,000 in cash plus \$14,800 in company stock. Effective January 1, 2006 his salary increased by \$30,000 annually payable in stock to issued every July 1st and January 1st (limited to conversion at \$0.20 share as minimum). In addition, Dr. Rothman was granted 360,000 stock options per his employment agreement and was granted 150,000 options in March 2006. As of November 1, 2007 his base compensation was increased to \$250,000.

*Fredrick D. Cobb.* The Company entered into an employment agreement with Fred Cobb to become Vice President of Finance effective February 20, 2006 terminable on 30 days notice. His compensation of \$140,000 per annum. Upon meeting incentives to be set by the Company, he will receive a bonus of up to \$28,000. In July 1, 2006, his salary increased by \$20,000 annually payable in stock to issued every July 1st and January 1 the number of shares are based on the lower of the average monthly market price or \$0.20 per share. Mr. Cobb was granted 150,000 stock options per his employment agreement and was granted 150,000 options in March 2006. As of November 1, 2007 his base compensation was increased to \$180,000.

*Roni Appel.* Mr. Appel served as our Chief Executive Officer and Chief Financial Officer (until September 7, 2006) pursuant to the terms of the Consulting Agreement between us and LVEP Management LLC described under "Certain Relationships and Related Party Transactions."

*J. Todd Derbin.* Pursuant to his agreement dated December 31, 2005 to resign as our President and Chief Executive Officer, Mr. Derbin served following his resignation on December 31, 2005 as a consultant to the Company for a fee of \$6,250 per month for 6 months ending June 30, 2006. Mr. Derbin continued to serve as Chairman and a member of the Board of directors of the Company until his resignation on September 7, 2006.

#### **Item 11: Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.**

##### ***PRINCIPAL STOCKHOLDERS***

The following table sets forth certain information with respect to the beneficial ownership, as of October 31, 2007 of,

- each person who is known by us to be the owner of record or beneficial owner of more than 5% of our outstanding Common Stock and each person who owns less than 5% but is significant nonetheless;
- each of our directors;
- our chief executive officer and each of our executive officers; and
- all of our directors and executive officers as a group.

As used in the table below and elsewhere in this the term *beneficial ownership* with respect to a security consists of sole or shared voting power, including the power to or direct the vote and/or sole or shared investment power, including the power to dispose or direct the vote disposition, with respect to the security through any contract, arrangement, understanding, relationship, or otherwise, including a right to acquire such power(s) during the next 60 days following October 31, 2007. Except as otherwise indicated, the stockholders listed in the table have sole voting and investment powers with respect to the shares indicated.

This table is based upon information supplied by our directors, officers, and principal stockholders and Schedule 13Gs filed with the SEC. Unless otherwise indicated in the footnotes to this table, and subject to community property laws where applicable, we believe each of the stockholders named in this table has sole voting and investment power with respect to the shares indicated as beneficially owned. Applicable percentages are based on 107,957,977 shares of common stock outstanding as of October 31, 2007, adjusted as required by the rules promulgated by the SEC. Unless otherwise indicated, the address for each of the individuals and entities listed in this table is the technology Centre of NJ, 675 Route One, Suite B113, North Brunswick, NJ 08902.

Name and Address of Beneficial Owner	Number of Shares of Registrant Common Stock Beneficially Owned as of October 31, 2007	Percentage of Class Beneficially Owned*
Thomas A. Moore(1)	4,616,668(3)	4.2
J. Todd Derbin(1)	974,090(4)	0.9
Roni Appel(1)(2)	6,355,378(5)	5.8
Richard Berman(1)	379,000(6)	0.4
Dr. James Patton(1)	3,145,666(7)	2.9
Dr. Thomas McKearn(1)	503,796(8)	0.5
Martin R. Wade III(1)	87,500(9)	0.1
Dr. John Rothman(2)	633,708(10)	0.6
Fredrick Cobb(2)	232,708(11)	0.2
Estate of Scott Flamm(1)	3,114,867(12)	2.9
The Trustees of the University of Pennsylvania Center for Technology Transfer, University of Pennsylvania 3160 Chestnut Street, Suite 200 Philadelphia, PA 19104-6283	6,339,282(13)	5.9
Centrecourt Asset Management 350 Madison Avenue New York, NY 10017	10,000,000(14)	9.3
Platinum Long Term Growth VII. 152 West 57th Street, 54th Floor New York, NY 10019	6,666,667(15)	6.2
Casterigg Master Investments, Ltd. Sandell Asset Management Corp. 40 W. 57 <sup>th</sup> Street 26 <sup>th</sup> Floor New York, NY 10019	6,633,333(16)	9.99
All Directors and Officers as a Group (8 people)	15,954,424(17)	14.7

\* Based on 107,957,977 shares of common stock outstanding as of October 31, 2007.

- (1) Director, except for Mr. Derbin who served as a Director until his resignation on September 6, 2006 and Mr. Flamm served as a Director until his death in January 2006
- (2) Officer, Mr. Appel ceased to be an officer on December 15, 2006
- (3) Represents 2,666,667 shares, and 1,200,001 options exercisable within 60 days of October 31, 2007 and 750,000 shares authorized but not issued as of this date owned by Mr. Moore but does not reflect 2,100,000 warrants because such warrants are not exercisable within 60 days due to the ownership in 4.99% restriction under the current circumstances, exercisable within the 60 Day Period.
- (4) Reflects 469,982 shares, and 504,108 warrants to purchase shares. Mr. Derbin resigned from the board effective September 6, 2006.
- (5) Represents 3,976,288 shares, and 2,379,090 options owned by Mr. Appel (Includes 91,567 transferred from Carmel.) but does not reflect 675,897 warrants because such warrants are not exercisable within 60 days due to the ownership in 4.99% restriction under the current circumstances, exercisable within the 60 Day Period. (The 675,897 includes 576,071 warrants transferred from Carmel.) Per the Third Amended LVEP Consulting agreement dated December 15, 2006 Mr. Appel was issued 1,000,000 shares and all his previously granted options unvested became fully vested and exercisable for the remainder of their term.
- (6) Reflects 92,000 shares issued, 12,000 shares earned not issued and 275,000 options exercisable within 60 days of October 31, 2007.
- (7) Reflects 2,820,576 shares, and 73,253 options exercisable within 60 days of October 31, 2007 and 251,837 warrants.
- (8) Reflects 179,290 shares, 170,263 options exercisable within 60 days of October 31, 2007 and 154,243 warrants.

- (9) Reflects options exercisable within 60 days of October 31, 2007.
- (10) Reflects 275,775 shares issued, 44,808 shares earned but not issued and 313,125 options exercisable within 60 days of October 31, 2007.
- (11) Reflects 90,336 shares issued, 29,872 shares earned but not issued and 112,500 options exercisable within 60 days of October 31, 2007.
- (12) Reflects 125,772 shares, 91,567 options and 214,489 warrants owned by the estate and 2,621,325 shares beneficially owned by Flamm Family Partners LP, of which the estate is a partner and reflects 61,714 warrants. It excludes 98,664 shares and 143,796 warrants owned by an immediate family member.
- (13) Shares only
- (14) Reflects an aggregate of 10,000,000 shares owned by CAMOFI Master COC and CAMHZN Master LDC, but does not include 15,816,666 warrants. Centrecourt Asset Management, LLC is the investment manager of such purchaser. All warrants provide they may not be exercised if following the exercise, the holder will be deemed to be the beneficial owner of more than 9.99% of our outstanding shares of common stock. Based on information set forth in a Schedule 13G filed with the SEC on October 17, 2007 by Richard Smithline reporting sole power to vote or direct the vote over 25,839,769 shares and the sole power to dispose or to direct the disposition of 25,839,769 shares (comprised of 8,023,103 shares of Common Stock and 12,653,332 shares of Common Stock underlying Warrants held by CAMOFI, of which Mr. Smithline is a director and 2,000,000 shares of Common Stock and 3,163,334 shares of Common Stock underlying Warrants held by CAMHZN Master LDC, of which Mr. Smithline is a director). Centrecourt: 25,839,769 shares (comprised of 8,023,103 shares of Common Stock and 12,653,332 shares of Common Stock underlying Warrants held by CAMOFI, of which Centrecourt is the investment manager and 2,000,000 shares of Common Stock and 3,163,334 shares of Common Stock underlying Warrants held by CAMHZN Master LDC, of which Centrecourt is the investment manager). CAMOFI Master LDC has the sole power to vote or direct the vote over 20,676,435 shares (comprised of 8,023,103 shares of Common Stock and 12,653,332 shares of Common Stock underlying Warrants). Percent of Class: Mr. Smithline, Centrecourt and CAMOFI are 9.99%, 9.99% and 9.99%, respectively. Pursuant to the terms of the Warrant Agreements, Advaxis, Inc. has agreed that the number of shares of Common Stock that may be acquired by the holder of any Warrants upon any conversion thereof (or otherwise in respect thereof) shall be limited to the extent necessary to insure that, following such conversion (or other issuance), the total number of shares of Common Stock then beneficially owned by such a holder does not exceed 9.99% of the total number issued and outstanding shares of Common Stock. If not for the 9.99% restriction described above, the ownership percentages held by each Mr. Smithline, Centrecourt and CAMOFI would be 21.3%, 21.3% and 17.5%, respectively.
- (15) Reflects 6,666,667 shares and but excludes 5,000,000 warrants. All warrants provide they may not be exercised if following the exercise, the holder will be deemed to be the beneficial owner of more than 4.99% of our outstanding shares of common stock.
- (16) Reflects 6,633,333 shares but excludes 4,975,000 warrants. All warrants provide they may not be exercised if following the exercise, the holder will be deemed to be the beneficial owner of more than 4.99% of our outstanding shares of common stock. Based on information set forth in a Schedule 13G filed with the SEC on October 12, 2007 by Casterigg Master Investments Ltd. reporting sole power to vote or direct the vote over 6,666,667 shares and the sole power to dispose or to direct the disposition of 6,666,667 shares or 6.18% of class. As of the date of this filing, each of Castlerigg Master Investments Ltd., Sandell Asset Management Corp., Castlerigg International Limited, Castlerigg International Holdings Limited and Thomas E. Sandell may be deemed the beneficial owner of the 6,666,667 shares of Common Stock held by Castlerigg Master Investments Ltd. In addition to the 6,666,667 shares of Common Stock beneficially owned by Castlerigg Master Investments Ltd., Casterigg Master Investments Ltd. Holds warrants to purchase 5,000,000 shares of Common Stock of the Company. However, pursuant to the terms of the warrants, Castlerigg Master Investments cannot exercise any of these warrants until such time as Castlerigg Master Investments Ltd. Would not beneficially own, after any exercise, more than 4.99% of the outstanding Common Stock (the "Blocker").
- (17) Includes an aggregate of 4,610,732 options, 406,079 warrants and 836,681 earned but not issued shares.

**Item 12: Certain Relationships and Related Transactions, and Director Independence.**

Our policy is to enter into transactions with related parties on terms that, on the whole, are no more favorable, or no less favorable, than those available from unaffiliated third parties. Based on our experience in the business sectors in which we operate and the terms of our transactions with unaffiliated third parties, we believe that all of the transactions described below met this policy standard at the time they occurred.

The Company entered into a consulting agreement with LVEP Management LLC (LVEP) dated as of January 19, 2005, and amended on April 15, 2005 and October 31, 2005, pursuant to which Mr. Roni Appel served as Chief Executive Officer, Chief Financial Officer and Secretary of the Company and was compensated by consulting fees paid to LVEP. LVEP is owned by the estate of Scott Flamm (deceased January 2006) previously, one of our directors and a principal shareholder. Pursuant to an amendment dated December 15, 2006 (“effective date”) Mr. Appel resigned as President and Chief Executive Officer and Secretary of the Company on the effective date, but remains as a board member and consultant to the company. The term of the agreement as amended is 24 months from effective date. Mr. Appel will devote 50% of his time over the first 12 months of the consulting period. Also as a consultant, he will be paid at a rate of \$22,500 per month in addition to benefits as provided to other company officers. He will receive severance payments over an additional 12 months at a rate of \$10,416.67 per month and shall be reimbursed for family health care. All his stock options became fully vested on the effective date and are exercisable over the option term. Also, Mr. Appel was issued 1,000,000 shares of our common stock. He received a \$250,000 bonus \$100,000 paid on January 3, 2007 and the remainder paid in October 2007.

J. Todd Derbin has served as Chairman and a director since January 1, 2006. Prior thereto he served as President and Chief Executive Officer from December 20, 2004 to January 1, 2006. On October 31, 2005 we entered into a Termination of Employment Agreement effective December 31, 2005 pursuant to which Mr. Derbin’s employment by the Company ended on December 31, 2005. Pursuant to such agreement Mr. Derbin’s salary was paid until the end of 2005 at the rate of \$225,000 plus a bonus for 2005 equal to \$5,000 in shares of Common Stock of the Company priced at \$0.287 per share. Following his resignation Mr. Derbin served as a consultant to the Company for a fee of \$6,250 per month for 6 months ending June 30, 2006. Mr. Derbin ceased serving as Chairman and Member of the Board of Directors on September 1, 2006.

On August 24, 2007, we issued and sold an aggregate of \$600,000 principal amount promissory notes bearing interest at a rate of 12% per annum and warrants to purchase an aggregate of 150,000 shares of our common stock to three investors including Thomas Moore, our Chief Executive Officer. Mr. Moore invested \$400,000 and received warrants for the purchase of 100,000 shares of Common Stock. The promissory note and accrued but unpaid interest thereon are convertible at the option of the holder into shares of our common stock upon the closing by the Company of a sale of its equity securities aggregating \$3,000,000 or more in gross proceeds to the Company at a conversion rate which shall be the greater of a price at which such equity securities were sold or the price per share of the last reported trade of our common stock on the market on which the common stock is then listed, as quoted by Bloomberg LP. At any time prior to conversion, we have the right to prepay the promissory notes and accrued but unpaid interest thereon. Mr. Moore converted his \$400,000 bridge investment into 2,665,667 shares of common stock and 2,000,000 \$0.20 warrants based on the terms of the private placement. He was paid \$7,101.37 interest in cash.

On October 17, 2007, we effected a private placement to accredited investors for approximately 49,228,334 shares of common stock and warrants to purchase 36,921,250 additional shares. Concurrent with the closing of the private placement, we sold for \$1,996,667 to CAMOFI Master LDC and CAMHZN Master LDC an aggregate of (i) 10,000,000 shares of Common Stock, (ii) 10,000,000 \$0.20 Warrants, and (iii) 5-year warrants to purchase an additional 3,333,333 shares of Common Stock at a purchase price of \$0.001/share. Both warrants provide that they may not be exercised if, following the exercise, the holder will be deemed to be the beneficial owner of more than 9.99% of Registrant’s outstanding shares of Common Stock.

Pursuant to an advisory agreement dated August 1, 2007 with Centrecourt, Centrecourt provided various strategic advisory services to the Company in consideration thereof. The Company paid Centrecourt \$328,000 in cash and issued 2,483,333 \$0.20 Warrants to Centrecourt, which Centrecourt assigned to the two affiliates.

### **Sentinel Consulting, Inc.**

Sentinel Consulting Inc. is owned by Robert Harvey, an observer to our Board and the manager of Harvest Advaxis LLC, one of our principal stockholders. Sentinel provided financial consulting, scientific validation and business strategy advice to us. The term of the agreement was for six months commencing as of September 5, 2004 with each party having the right to terminate it after four months under the agreement. The agreement was terminated in August, 2005. We have paid Sentinel \$33,000 for services performed and we have the obligation to issue to them a warrant to purchase 191,638 shares of our common stock at an exercise price of an \$0.40 per share, plus 287,451 shares of our common stock, a retainer of \$5,000, a video preparation fee of \$10,000 and expenses of \$6,000 in connection with the preparation of a scientific review.

### **Director Independence**

In accordance with the disclosure requirements of the Securities and Exchange Commission, and since the Over-The-Counter Bulletin Board (OTC:BB) does not have its own rules for director independence, the Company has adopted the director independence definitions as proposed by Section 121 B(2)(a) of the AMEX Company Guide. Although we are not presently listed on any national securities exchange, each of our directors, other than Mr. Thomas A. Moore and Roni Appel, is independent in accordance with the definition set forth in the AMEX Company Guide. Mr. Moore was an independent director of the Company during the fiscal year ended October 31, 2006 and continued to be an independent director until he became Chief Executive Officer on December 15, 2006. Mr. Appel was not independent until December 16, 2007 the end of his consulting agreement with the Company. Each current member of the Audit Committee and Compensation Committee was an independent director under the AMEX standards. The Board considered the information included in transactions with related parties as outlined above along with other information the Board of Directors considered relevant, when considering the independence of each director.

## Item 13: Exhibits

### List of Exhibits

See Index of Exhibits below. The Exhibits are filed with or incorporated by reference in this report.

EXHIBIT NUMBER	DESCRIPTION OF EXHIBIT
Exhibit 2.1	Agreement Plan and Merger of Advaxis, Inc. (a Colorado corporation) and Advaxis, Inc. (a Delaware corporation). Incorporated by reference to Annex B to DEF 14A Proxy Statement filed with the SEC on May 15, 2006.
Exhibit 3.1(i)	Amended and Restated Articles of Incorporation. Incorporated by reference to Annex C to DEF 14A Proxy Statement filed with the SEC on May 15, 2006.
Exhibit 3.1(ii)	Amended and Restated Bylaws. Incorporated by reference to Exhibit 10.4 to Quarterly Report Form 10-QSB filed with the SEC on December 15, 2006.
Exhibit 4.1	Form of common stock certificate. Incorporated by reference to Exhibit 4.1 to Current Report on Form 8-K filed with the SEC on October 23, 2007.
Exhibit 4.2	Form of warrant to purchase shares of Registrant's common stock at the price of \$0.20 per share (the "\$0.20 Warrant"). Incorporated by reference to Exhibit 4.2 to Current Report on Form 8-K filed with the SEC on October 23, 2007.
Exhibit 4.3	Form of warrant to purchase shares of Registrant's common stock at the price of \$0.001 per share (the "\$.001 Warrant"). Incorporated by reference to Exhibit 4.3 to Current Report on Form 8-K filed with the SEC on October 23, 2007.
Exhibit 4.4	Form of warrant issued in the August 2007 financing. Incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K filed with the SEC on August 27, 2007.
Exhibit 4.5	Form of note issued in the August 2007 financing. Incorporated by reference to Exhibit 10.2 to Current Report on Form 8-K filed with the SEC on August 27, 2007.
Exhibit 4.6	Form of warrant issued in the November 2004 Private Placement . Incorporated by reference to Exhibit 3.1 to Current Report on Form 8-K filed with the SEC on November 18, 2004.
Exhibit 10.1	Securities Purchase Agreement between Registrant and the purchasers in the private placement (the "SPA"), dated as of October 17, 2007, and Disclosure Schedules thereto. Incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K filed with the SEC on October 23, 2007.

Exhibit 10.2	Securities Purchase Agreement dated February 2, 2006 between Company and Cornell Capital Partners, LP. Incorporated by reference to Exhibit 10.09 to Report on Form 8K filed with the SEC on February 8, 2006.
Exhibit 10.3	Registration Rights Agreement between Registrant and the parties to the SPA, dated as of October 17, 2007. Incorporated by reference to Exhibit 10.2 to Current Report on Form 8-K filed with the SEC on October 23, 2007.
Exhibit 10.4	Placement Agency Agreement between Registrant and Carter Securities, LLC, dated as of October 17, 2007. Incorporated by reference to Exhibit 10.3 to Current Report on Form 8-K filed with the SEC on October 23, 2007.
Exhibit 10.5	Engagement Letter between Registrant and Carter Securities, LLC, dated August 15, 2007. Incorporated by reference to Exhibit 10.3(a) to Current Report on Form 8-K filed with the SEC on October 23, 2007.
Exhibit 10.6	Agreement between Registrant and YA Global Investments, L.P. f/k/a Cornell Capital Partners, L.P., dated August 23, 2007. Incorporated by reference to Exhibit 10.4 to Current Report on Form 8-K filed with the SEC on October 23, 2007.
Exhibit 10.7	Memorandum of Agreement between Registrant and CAMHZN Master LDC and CAMOFI Master LDC, purchasers of the Units consisting of Common Stock, \$0.20 Warrants, and \$0.001 Warrants, dated October 17, 2007. Incorporated by reference to Exhibit 10.5 to Current Report on Form 8-K filed with the SEC on October 23, 2007.
Exhibit 10.8	Advisory Agreement between Registrant and Centrecourt Asset Management LLC, dated August 1, 2007. Incorporated by reference to Exhibit 10.6 to Current Report on Form 8-K filed with the SEC on October 23, 2007.
Exhibit 10.9	Share and Exchange Agreement, dated as of August 25, 2004, by and among the Company, Advaxis and the shareholders of Advaxis. Incorporated by reference to Exhibit 10.1 to Current Report on Form 8K filed with the SEC on November 18, 2004.
Exhibit 10.10	Security Agreement dated February 2, 2006 between Company and Cornell Capital Partners, L.P. Incorporated by reference to Exhibit 10.06 to Current Report on Form 8-K filed with the SEC on February 8, 2006.
Exhibit 10.11	Investor Registration Rights Agreement dated February 2, 2006 between Company and Cornell Capital Partners, LP. Incorporated by reference to Exhibit 10.05 to Current Report on Form 8-K filed with the SEC on February 8, 2006.
Exhibit 10.12	Form of Securities Purchase Agreement related to the November 2004 Private Placement, by and among the Company and the purchasers listed as signatories thereto. Incorporated by reference to Exhibit 10.2 to Current Report on Form 8-K filed with the SEC on November 18, 2004.
Exhibit 10.13	Form of Registration Rights Agreement related to the November 2004 Private Placement, by and among the Company and the persons listed as signatories thereto. Incorporated by reference to Exhibit 10.3 to Current Report on Form 8-K filed with the SEC on November 18, 2004.
Exhibit 10.14	Amended and Restated Employment Agreement, dated December 20, 2004, by and between the Company and J.Todd Derbin. Incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K filed with the SEC on December 23, 2004.
Exhibit 10.15	2004 Stock Option Plan of the Company. Incorporated by reference to Exhibit 4.1 to Report on Form S-8 filed with the SEC on December 1, 2005.
Exhibit 10.16	2005 Stock Option Plan of the Company. Incorporated by reference to Annex A to DEF 14A Proxy Statement filed with the SEC on May 15, 2006.

- Exhibit 10.17 License Agreement, between University of Pennsylvania and the Company dated as of June 17, 2002, as Amended and Restated on February 13, 2007. Incorporated by reference to Exhibit 10.11 to Report on From 10-QSB filed with the SEC on February 13, 2007.
- Exhibit 10.18 Sponsored Research Agreement dated November 1, 2006 by and between University of Pennsylvania (Dr. Paterson Principal Investigator) and the Company. Incorporated by reference to Exhibit 10.44 to Quarterly Report on 10-QSB filed with the SEC on February 13, 2007.
- Exhibit 10.19 Non-Exclusive License and Bailment, dated as of March 17, 2004, between The Regents of the University of California and Advaxis, Inc. Incorporated by reference to Exhibit 10.8 to Post-Effective Amendment filed on January 5, 2006 to Registration Statement on Form SB-2 (File No. 333-122504).
- Exhibit 10.20 Consultancy Agreement, dated as of January 19, 2005, by and between LVEP Management, LLC. and the Company. Incorporated by reference to Exhibit 10.9 to Post-Effective Amendment filed on January 5, 2006 to Registration Statement on Form SB-2 (File No. 333-122504).
- Exhibit 10.21(a) Amendment to Consultancy Agreement, dated as of April 4, 2005, between LVEP Management LLC and the Company. Incorporated by reference to Exhibit 10.27 to Post-Effective Amendment filed on January 5, 2006 to Registration Statement on Form SB-2 (File No. 333-122504).
- Exhibit 10.21(b) Second Amendment dated October, 31, 2005 to Consultancy Agreement between LVEP Management LLC and the Company. Incorporated by reference to Exhibit 10.2 to Current Report on Form 8-K filed with the SEC on November 9, 2005.
- Exhibit 10.21(c) Third Amendment dated December 15, 2006 to Consultancy Agreement between LVEP Management LLC and the Company. Incorporated by reference to Exhibit 9.01 to Current Report on Form 8-K filed with the SEC on December 15, 2006.
- Exhibit 10.22 Government Funding Agreement, dated as of April 5, 2004, by and between David Carpi and Advaxis, Inc. Incorporated by reference to Exhibit 10.10 to Post-Effective Amendment filed on January 5, 2006 to Registration Statement on Form SB-2 (File No. 333-122504).
- Exhibit 10.23 Amended and Restated Consulting and Placement Agreement, dated as of May 28, 2003, by and between David Carpi and Advaxis, Inc., as amended. Incorporated by reference to Exhibit 10.11 to Post-Effective Amendment filed on January 5, 2006 to Registration Statement on Form SB-2 (File No. 333-122504).
- Exhibit 10.23(i) Consultancy Agreement, dated as of January 22, 2005, by and between Dr. Yvonne Paterson and Advaxis, Inc. Incorporated by reference to Exhibit 10.12 to Post-Effective Amendment filed on January 5, 2006 to Registration Statement on Form SB-2 (File No. 333-122504).
- Exhibit 10.24 Consultancy Agreement, dated as of March 15, 2003, by and between Dr. Joy A. Cavagnaro and Advaxis, Inc. Incorporated by reference to Exhibit 10.13 to Post-Effective Amendment filed on January 5, 2006 to Registration Statement on Form SB-2 (File No. 333-122504).
- Exhibit 10.25 Grant Writing Agreement, dated June 19, 2003, by and between DNA Bridges, Inc. and Advaxis, Inc. Incorporated by reference to Exhibit 10.14 to Post-Effective Amendment filed on January 5, 2006 to Registration Statement on Form SB-2 (File No. 333-122504).
- Exhibit 10.26 Consulting Agreement, dated as of July 2, 2004, by and between Sentinel Consulting Corporation and Advaxis, Inc. Incorporated by reference to Exhibit 10.15 to Post-Effective Amendment filed on January 5, 2006 to Registration Statement on Form SB-2 (File No. 333-122504).
- Exhibit 10.27 Agreement, dated July 7, 2003, by and between Cobra Biomanufacturing PLC and Advaxis, Inc. Incorporated by reference to Exhibit 10.16 to the amendment filed on June 9, 2005 to Registration Statement on Form SB-2 (File No. 333-122504).
- Exhibit 10.28 Securities Purchase Agreement, dated as of January 12, 2005, by and between the Company and Harvest Advaxis LLC. Incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K filed with the SEC on January 18, 2005.
- Exhibit 10.28(i) Registration Rights Agreement, dated as of January 12, 2005, by and between the Company and Harvest Advaxis LLC. Incorporated by reference to Exhibit 10.2 to Current Report on Form 8-K filed with the SEC on January 18, 2005.

Exhibit 10.28(ii)	Letter Agreement, dated as of January 12, 2005 by and between the Company and Robert T. Harvey. Incorporated by reference to Exhibit 10.3 to Current Report on Form 8-K filed with the SEC on January 18, 2005.
Exhibit 10.29	Consultancy Agreement, dated as of January 15, 2005, by and between Dr. David Filer and the Company. Incorporated by reference to Exhibit 10.20 to Post-Effective Amendment filed on January 5, 2006 to Registration Statement on Form SB-2 (File No. 333-122504).
Exhibit 10.30	Consultancy Agreement, dated as of January 15, 2005, by and between Pharm-Olam International Ltd. and the Company. Incorporated by reference to Exhibit 10.21 to Post-Effective Amendment filed on January 5, 2006 to Registration Statement on Form SB-2 (File No. 333-122504).
Exhibit 10.31	Agreement, dated February 1, 2004, by and between Strategic Growth International Inc. and the Company. Incorporated by reference to Exhibit 10.22 to Post-Effective Amendment filed on January 5, 2006 to Registration Statement on Form SB-2 (File No. 333-122504).
Exhibit 10.32	Letter Agreement, dated February 10, 2005, by and between Richard Berman and the Company. Incorporated by reference to Exhibit 10.23 to Post-Effective Amendment filed on January 5, 2006 to Registration Statement on Form SB-2 (File No. 333-122504).
Exhibit 10.33	Employment Agreement, dated February 8, 2005, by and between Vafa Shahabi and the Company. Incorporated by reference to Exhibit 10.24 to Post-Effective Amendment filed on January 5, 2006 to Registration Statement on Form SB-2 (File No. 333-122504).
Exhibit 10.34	Employment Agreement, dated March 1, 2005, by and between John Rothman and the Company. Incorporated by reference to Exhibit 10.25 to Post-Effective Amendment filed on January 5, 2006 to Registration Statement on Form SB-2 (File No. 333-122504).
Exhibit 10.35	Clinical Research Services Agreement, dated April 6, 2005, between Pharm-Olam International Ltd. and the Company. Incorporated by reference to Exhibit 10.26 to the amendment filed on June 9, 2005 to Registration Statement on Form SB-2 (File No. 333-122504).
Exhibit 10.36	Royalty Agreement, dated as of May 11, 2003, by and between Cobra Bio-Manufacturing PLC and the Company. Incorporated by reference to Exhibit 10.28 to Post-Effective Amendment filed on January 5, 2006 to Registration Statement on Form SB-2 (File No. 333-122504).
Exhibit 10.37	Letter Agreement between the Company and Investors Relations Group Inc., dated September 27, 2005. Incorporated by reference to Exhibit 10.31 to Post-Effective Amendment filed on January 5, 2006 to Registration Statement on Form SB-2 (File No. 333-122504).
Exhibit 10.38	Consultancy Agreement between the Company and Freemind Group LLC, dated October 17, 2005. Incorporated by reference to Exhibit 10.32 to Post-Effective Amendment filed on January 5, 2006 to Registration Statement on Form SB-2 (File No. 333-122504).
Exhibit 10.39	Employment Agreement dated August 21, 2007 between the Company and Thomas A. Moore. Incorporated by reference to Exhibit 10.3 to Current Report on Form 8-K filed with the SEC on August 27, 2007.

Exhibit 10.40	Employment Agreement dated February 9, 2006 between the Company and Frederick D. Cobb. Filed on March 9, 2006 with the initial filing of the Registration Statement on Form SB-2 (File No. 333-132298)
Exhibit 10.41	Resignation Agreement between J. Todd Derbin and the Company dated October 31, 2005. Incorporated by reference to Exhibit 10.1 report to Form 8-K filed with the SEC on November 9, 2005.
Exhibit 10.42	Consulting Agreement dated June 1, 2006 between the Company and Biologics Consulting Group Inc. Incorporated by reference to Exhibit 10.40 to Quarterly Report on Form 10-QSB filed with the SEC on February 13, 2007.
Exhibit 10.42(i)**	Consulting Agreement dated June 1, 2006 between the Company and Biologics Consulting Group Inc. Amended on June 1, 2007.
Exhibit 10.43	Third Lease Amendment Agreement dated October 1, 2006 by and between the New Jersey Economic Development Authority and the Company. Incorporated by reference to Exhibit 10.43 to Quarterly Report on Form 10-QSB filed with the SEC on February 13, 2007.
Exhibit 10.43(i)**	Fourth Lease Amendment Agreement dated October 1, 2006 by and between the New Jersey Economic Development Authority and the Company on October 1, 2007.
Exhibit 10.44**	Master Contract Service Agreement between the Company and MediVector, Inc. dated May 20, 2007.
Exhibit 10.45**	Letter Agreement, dated November 28, 2007, between Crystal Research Associates, LLC and the Company.
Exhibit 10.46**	Service Schedule, dated September 21, 2007, to the Strategic Collaboration and Long Term Vaccine Supply Agreement, dated October 31, 2005, between the Company and Cobra Biomanufacturing Plc.
Exhibit 10.47**	Service Schedule, dated May 22, 2007, to the Strategic Collaboration and Long Term Vaccine Supply Agreement, dated October 31, 2005, between the Company and Cobra Biomanufacturing Plc.
Exhibit 10.48**	Consulting Agreement, dated May 1, 2007 between the Company and Bridge Ventures, Inc.
Exhibit 10.49**	Consulting Agreement, dated August 1, 2007 between the Company and Dr. Filer.
Exhibit 14.1	Code of Ethics. Incorporated by reference to Exhibit 14.1 to Current Report on Form 8-K filed with the SEC on November 18, 2004.
Exhibit 23.1**	Consent of McGladrey & Pullen, LLP.
Exhibit 24.1	Power of Attorney (Included on the signature page)
Exhibit 31.1**	Rule 13a-14(a)/15d-14(a) Certification by the Chief Executive Officer (filed herewith).
Exhibit 31.2**	Rule 13a-14(a)/15d-14(a) Certification by the Principal Financial Officer (filed herewith).
Exhibit 32.1**	Certification by the Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (filed herewith).
Exhibit 32.2**	Certification by the Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (filed herewith).

\* Confidential treatment granted

\*\* Filed herewith

**Item 14: Principal Accountant Fees and Services**

McGladrey & Pullen, LLP ("M&P") have billed and anticipate billing the Company as follows for the year ended October 31, 2007. As we have previously disclosed, a majority of the partners of Goldstein Golub Kessler LLP ("GGK") became partners of M&P. As a result, GGK resigned as auditors of the Company effective November 28, 2007 and M&P were appointed as auditors for the Company's annual financial statements for the year ended October 31, 2007. M&P and GGK billed the Company as follows for the years ended October 31, 2007 and 2006:

	Fiscal Year 2007	Fiscal year 2006
Audit Fees-McGladrey and Pullen LLP	\$ 35,000	\$ 0
Audit Fees-Goldstein Golub Kessler LLP	\$ 22,653	\$ 35,000
Audit-Related Fees- Goldstein Golub Kessler LLP	7,300	20,855
Total	<u>\$ 64,953</u>	<u>\$ 55,855</u>

**Audit Fees:** The Company recorded fees of \$57,653 and \$35,000, respectively, for M&P and GGK in connection with its audit of the Company's financial statements for the fiscal years ended October 31, 2007 and 2006 and its review of the Company's interim financial statements included in the Company's Quarterly Reports on Form 10-Q for the periods ended January 31, April 30, and July 31.

**Audit-Related Fees:** The Company recorded fees of \$7,300 and \$20,855 respectively, to GGK to perform audit-related services for the fiscal years ended October 31, 2007 and 2006, primarily for review of comments to the Securities and Exchange Commission in its review of securities registration documents and the Company's replies and for assistance with private placement memorandums and other document reviews.

**Tax Fees:** Preparation of the corporate tax returns were not performed by GGK.

**All Other Fees:** No fees were classified outside the recorded Audit and Audit Related fees.

The Audit Committee will pre-approve all auditing services and the terms thereof (which may include providing comfort letters in connection with securities underwriting) and non-audit services (other than non-audit services prohibited under Section 10A(g) of the Exchange Act or the applicable rules of the SEC or the Public Company Accounting Oversight Board) to be provided to us by the independent auditor; provided, however, the pre-approval requirement is waived with respect to the provisions of non-audit services for us if the "de minimus" provisions of Section 10A(i)(1)(B) of the Exchange Act are satisfied. This authority to pre-approve non-audit services may be delegated to one or more members of the Audit Committee, who shall present all decisions to pre-approve an activity to the full Audit Committee at its first meeting following such decision. The Audit Committee may review and approve the scope and staffing of the independent auditors' annual audit plan.

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been duly caused this Annual Report to be signed on its behalf by the undersigned, thereunto duly authorized, in North Brunswick, Middlesex County, State of New Jersey, on the 16 day of January, 2008.

ADVAXIS, INC.

By: /s/ Thomas Moore

\_\_\_\_\_  
Thomas Moore, Chief Executive Officer and Chairman of the Board

**POWER OF ATTORNEY**

If not filed herewith, filed as an exhibit to the document referred to by letters as follows:

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Thomas Moore as his true and lawful attorney-in-fact and agent, with full power of substitution for him in any and all capacities (1), to sign any and all amendments to this report on Form 10-KSB and (2) to file the same with the Securities and Exchange Commission pursuant to Rule 462(b) under the Securities Exchange Act of 1934, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney-in-fact and agent all power and authority to do and to perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as he might or could do in person, hereby ratifying and affirming all that said attorney-in-fact and agent, or his substitutes may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this report has been signed by the following persons on behalf of the registrant and in the capacities and on the dates indicated:

<u>SIGNATURE</u>	<u>TITLE</u>	<u>DATE</u>
<u>/s/ Thomas Moore</u> Thomas Moore	Chief Executive Officer and Chairman of the Board (Principal Executive Officer)	January 16, 2008
<u>/s/ Fredrick Cobb</u> Fredrick Cobb	Vice President, Finance (Principal Financial and Accounting Officer)	January 16, 2008
<u>/s/ Roni Appel</u> Roni Appel	Director	January 16, 2008
<u>/s/ Thomas McKearn</u> Thomas McKearn	Director	January 16, 2008
<u>/s/ James Patton</u> James Patton	Director	January 16, 2008
<u>/s/ Richard Berman</u> Richard Berman	Director	January 16, 2008
<u>/s/ Martin Wade III</u> Martin Wade	Director	January 16, 2008



1317 King Street  
Alexandria, VA 22314  
P 703-739-5695  
F 703-548-7457  
Email: [bcg@bcg-usa.com](mailto:bcg@bcg-usa.com)  
[www.biologicsconsulting.com](http://www.biologicsconsulting.com)

**AMENDMENT NO. 1  
TO CONSULTING AGREEMENT BETWEEN**

**BIOLOGICS CONSULTING GROUP, INC. (Hereinafter "BCG")**

Address: 1317 King Street  
Alexandria, Virginia 22314  
TAX I.D. #: 84-1693476

AND

**ADVAXIS, INC. (Hereinafter "COMPANY")**

Address: 675 U.S. Route 1  
Suite B113  
North Brunswick, NJ 08902

**Return to BCG**  
1317 King Street  
Alexandria, VA 22314  
P 703-739-5695  
F 703-548-7457

**Original Agreement effective as of June 1, 2006 (the "Agreement").**

Now, THEREFORE, in consideration of the mutual promises contained in this Amendment No. 1, the parties agree as follows:

1. All terms that are used herein and that are not specifically defined herein shall have the defined meanings set forth in the Agreement.
2. The effective date of this Amendment No. 1 is **June 1, 2007**.
3. The "Term of Consulting Services" will be amended as follows:

From: June 1, 2006  
Through: June 1, 2008

4. Exhibit 1, paragraph 2 is modified to the rates listed below:

Category	Current Rate
President	\$350/hour
Clinical Consultant (M.D.s only)	\$350/hour
Regional Office Heads	\$325/hour
Senior Consultant	\$300/hour
Consultant	\$225/hour
Associates	\$175/hour

BCG rates are subject to increase on an annual basis.



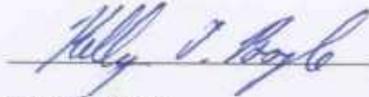
1317 King Street  
Alexandria, VA 22314  
P 703-739-5695  
F 703-548-7457  
Email: [bcg@bcg-usa.com](mailto:bcg@bcg-usa.com)  
[www.biologicsconsulting.com](http://www.biologicsconsulting.com)

5. Except as specifically modified or amended hereby, the Agreement shall remain in full force and effect and, as modified or amended, is hereby ratified, confirmed, and approved.

**BIOLOGICS CONSULTING GROUP, INC**  
(BCG)

**ADVAXIS, INC.**  
(COMPANY)

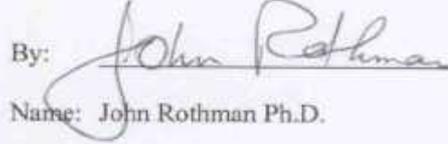
By:



Kelly T. Boyle

VP, Finance, Secretary & Treasurer

By:



Name: John Rothman Ph.D.

Title: Vice President; Clinical Development

Date:

6/11/07

Date:

6/14/07

Email: [kboyle@bcg-usa.com](mailto:kboyle@bcg-usa.com)

Email: [rothman@advaxis.com](mailto:rothman@advaxis.com)

Ph: (703) 739-5695

Ph: (732) 545-1590

## LEASE EXTENSION AGREEMENT

THIS LEASE EXTENSION AGREEMENT, made as of the 1<sup>st</sup> day of October, 2007 (the "Extension") is by and between Advaxis, Inc., a New Jersey corporation, ( hereinafter referred to collectively as "TENANT"), and the NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY ("LANDLORD").

WHEREAS, the TENANT and the LANDLORD entered into a certain Lease Agreement made as of June 1, 2005 (The "Lease") and a certain Lease Amendment as of November 15, 2005, and a certain Lease Amendment Agreement as of March 15, 2006, and a certain Lease Amendment Agreement as of October 1, 2006, . The Lease Agreement, the first Lease Amendment Agreement, the second Lease Amendment Agreement, the third Lease Amendment Agreement, and this Lease Extension Agreement are collectively referred to as the "LEASE".

WHEREAS, the LANDLORD and TENANT wish to amend the terms of the Lease as more fully set forth below.

NOW, THEREFORE, in the joint and mutual exercise of their powers, and in consideration of the mutual covenants herein contained, the parties amend the Lease as follows:

1. Definition of LEASED PREMISES is hereby amended to read as follows:

The term "LEASED PREMISES" means that the portion of the COMMERCIALIZATION CENTER delineated on the floor plans constituting EXHIBIT 1A attached hereto and made a part hereof, bounded by the interior sides of the centers of all demising walls other than exterior BUILDING walls and the exterior sides of all exterior BUILDING walls. For purposes of this LEASE, TENANT and LANDLORD agree that the LEASED PREMISES consists of Two (2) Lab Units (No.119 and 120) and made up of One thousand six hundred (1,600) rentable square feet and Two (2) office units made up of One Hundred Twenty Five (125) square feet each (B113 AND B202/A).

2. Section 4.1 is hereby amended to read as follows:

The term of the Lease shall be amended for a period beginning on October 1, 2007 and ending on May 31, 2008 (the "Extended Lease Term").

3. Section 5.2 is hereby amended to read as follows:

TENANT covenants and agrees to pay to LANDLORD, RENT, in advance, on the first day of each month during the Extended Lease Term as follows:

For the Extended Lease Term period, \$37,872.00fortwo labs ( \$4,734.00 per month).

For the Extended Lease Term, office B113, \$4160.00 (\$520.00 per month)  
And for office B202/A, \$4080.00 (\$510.00 per month).

Except as expressly modified hereby, all terms, conditions, definitions, undertakings and covenants of the LEASE shall remain in full force and effect and are in no way abrogated by this Lease Extension Agreement. Capitalized terms used in the within Lease Extension Agreement but not otherwise defined herein shall have the meanings ascribed to them in the LEASE.

This Lease Extension Agreement may be signed in any number of counterparts with the same effect as if the signatures thereto and hereto were upon the same instrument.

If any provision of this Lease Extension Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof or of the LEASE.

IN WITNESS WHEREOF, the parties hereto have duly executed this Lease Extension Agreement as of the date first written above.

ATTEST:

**NEW JERSEY ECONOMIC DEVELOPMENT  
AUTHORITY, LANDLORD**

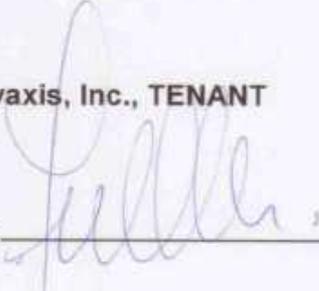
\_\_\_\_\_

By: \_\_\_\_\_  
NAME: Caren S. Franzini  
TITLE: Executive Director

ATTEST:

**Advaxis, Inc., TENANT**

\_\_\_\_\_

By:  \_\_\_\_\_

SERVICE PROVIDER:  
MEDIVECTOR CONTACT:  
ADVAXIS CONTACT:  
EFFECTIVE DATE:

- MEDIVECTOR, INC.
- CAROL EPSTEIN, M.D.
- JOHN ROTHMAN, PhD
- May 20, 2007

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## MASTER CONTRACT SERVICES AGREEMENT

THIS MASTER CONTRACT SERVICES AGREEMENT (together with the attached Project Order(s), the "Agreement") is made as of the date written above (the "Effective Date") by and between ADVAXIS, Inc., a Delaware corporation, with a principal office at The Technology Centre of New Jersey, Suite 113, 675 U.S. Route 1, North Brunswick, NJ 08902 (together for confidentiality rights and obligations with its affiliates, "ADVAXIS") and MediVector, Inc., a Delaware corporation with a principal office at set forth on the signature page hereto ("MediVector").

1. **Background.** ADVAXIS and MediVector have agreed to establish a relationship under which MediVector will render Services (defined below) specified in Project Order No. 1 attached to this Agreement, and in subsequent sequentially numbered project orders executed by the parties from time to time (the "Project Orders"). All subsequent Project Orders shall be substantially in the same form as Project Order No.1.
2. **Definitions.** The following terms have the meanings set forth below:
  - 2.1. **"Materials"** means any data, documentation, biological materials, chemical compounds, and reagents, together with all derivatives thereof or other materials or information furnished to MediVector in connection with MediVector's rendering of the Services under this Agreement, including without limitation, all materials identified in the applicable Project Order.
  - 2.2. **"Confidential Information"** means the MediVector Confidential Information and the ADVAXIS Confidential Information as defined in the Confidentiality Agreement dated February 26, 2007 between the parties (the "Confidentiality Agreement"). By way of clarification, it is hereby agreed that (a) the Results, (b) any clinical protocol or other documents developed by or on behalf of ADVAXIS that are the subject of any Project Order hereunder and (c) any data, information, or findings arising out of any such clinical trial shall be included in the definition of ADVAXIS Confidential Information. It is also agreed that the MediVector Program is MediVector Confidential Information.
  - 2.3. **"Services"** means those services which MediVector is engaged to provide to ADVAXIS pursuant to the terms of this Agreement, as set forth in the specific Project Orders.
  - 2.4. **"Results"** means all results of Services including, but not limited to, information, data, databases, documentation, reports, protocols, software, and any other deliverables, as defined in the applicable Project Order, with the exception of items described in this section. The **"MediVector Program"** means all processes and procedures, including but not limited to proprietary standard operating procedures and programs used by

MediVector in deriving information, data and materials for ADVAXIS hereunder, including any version or versions thereof that reflect or include ADVAXIS case-specific modifications.

### 3. Project Orders.

3.1. **Description.** All work delivered or performed hereunder shall be in accordance with this Agreement and the applicable Project Order. Each Project Order shall set forth a description of the specific Services to be provided, any Materials being provided by or on behalf of ADVAXIS for the Services, delivery and performance schedules, the term during which the Services will be provided (the "Project Term"), the MediVector personnel responsible for performing and/or supervising the Services (the Project Leader(s)), the ADVAXIS contact, and the compensation and other details relating to the Services. If ADVAXIS wishes to change the scope of the Services covered by a Project Order or wishes to obtain additional services not initially covered by a Project Order, ADVAXIS shall so advise MediVector and shall submit specifications to the Service Provider. After receipt of the specifications, MediVector shall provide ADVAXIS with a cost estimate for performing the changed or additional services, and upon agreement in writing between the parties as to the changes or additional services and the costs involved, MediVector will proceed with such changed or additional services. In the event of a conflict between this Agreement and any Project Order, the terms of this Agreement shall govern.

### 3.2. Performance of Services.

a. **Project Leader.** MediVector will designate a Project Leader under each Project Order, who will be ADVAXIS' primary contact at MediVector for the Services being rendered under such Project Order. Project Leaders shall report to the ADVAXIS contact identified in the applicable Project Order.

b. **Availability.** During a Project Term, MediVector and the Project Leader will be available as appropriate for frequent communications with ADVAXIS regarding Services being rendered under the applicable Project Order.

c. **Completion.** The Services specified under any Project Order shall be rendered promptly at such times and at such places as ADVAXIS may reasonably request, and in any event, will be completed during the applicable Project Term. MediVector's personnel will devote such time as is necessary to promptly perform the duties and obligations under any Project Order. MediVector shall notify ADVAXIS promptly if it becomes aware of any circumstances that may prevent MediVector from completing any portion of the Services in a timely manner.

3.3. **Separate Agreement.** Each Project Order shall reflect a separate agreement of the parties, and, unless otherwise clearly stated in writing, the terms of each Project Order shall be independent of, and shall not affect, the terms of any other Project Order.

3.4. **No Obligation.** Except as otherwise expressly provided for herein, ADVAXIS is under no obligation to issue, nor is MediVector under any obligation to accept, any subsequent Project Order under this Agreement.

3.5. **Audits.** After reasonable notice by ADVAXIS to Service Provider, MediVector shall allow ADVAXIS employees and representatives, and representatives of regulatory agencies, at a mutually-agreeable time during normal business hours, to review MediVector's standard operating procedures (SOPs) and records, pertaining to the Services, and to inspect the facilities used to render the Services under the applicable Project Order. MediVector will have the right to refuse to admit, as ADVAXIS

representative, any competing service provider or employee of a competing service provider, if the MediVector material to be reviewed includes part or all of the MediVector Program.

- 3.6. **Data Verification.** MediVector will provide Oracle or SAS data sets containing the input for the databases, and copies of the reports and data listings in a format mutually agreed upon by ADVAXIS and MediVector as defined in the Project Order. MediVector shall verify the accuracy of the data contained in all databases and/or reports provided by it against the data entered into the MediVector Program by ADVAXIS or third parties and shall attach a signed statement attesting to such verification to each database and/or report provided to ADVAXIS. As per ADVAXIS' requirements, MediVector shall ensure that the database format is compatible with relevant existing databases of ADVAXIS as defined in the Project Order.
- 3.7. **Standard Operating Procedures.** MediVector shall, upon request, permit representatives of ADVAXIS to inspect the standard operating procedures (the "SOPs") of Service Provider, limited to those SOPs that apply to work performed under the Project Order. ADVAXIS shall consider such SOPs as MediVector Confidential Information. MediVector warrants that all SOP and all other methods, practices and procedures will be in compliance with all FDA and EMEA guidelines and practices. MediVector will have the right to refuse to admit, as ADVAXIS' representative, any competing service provider or employee of a competing service provider, if the MediVector material to be reviewed includes part or all of the MediVector Program.
- 3.8. **Regulatory Contacts.** ADVAXIS shall be solely responsible for all contacts and communications with any regulatory authorities with respect to matters relating to any of the Services provided hereunder. Unless required by applicable law, MediVector shall have no contact or communication with any regulatory authority regarding any Services provided hereunder without the prior written consent of ADVAXIS, unless otherwise contracted for under a Project Order. MediVector shall notify ADVAXIS immediately, and in no event later than three (3) business days after MediVector receives any contact or communication from any regulatory authority relating to the Services provided hereunder and shall inform ADVAXIS of the content of any such communication within five (5) business days of receipt of such communication by MediVector. MediVector shall consult with ADVAXIS regarding the response to any inquiry or observation from any regulatory authority relating to the Services provided hereunder and shall allow ADVAXIS at its discretion to control and/or participate in any further contacts or communications relating to the Services provided hereunder. MediVector shall comply with all reasonable requests and comments by ADVAXIS with respect to all contacts and communications with any regulatory authority relating to the Services provided hereunder. If requested by ADVAXIS, MediVector will assist ADVAXIS in its communications and relationship with regulatory authorities, including by providing access to the MediVector Program (to the extent relevant to a Project Order) to regulatory authorities or agents of ADVAXIS, as long as such agent is not a competing service provider or an employee of a competing service provider. MediVector will bill ADVAXIS for such assistance at MediVector's standard consulting rates plus expenses and a 5% expense administration cost, and ADVAXIS will pay for such services as provided in Section 6 below and, if requested by Service Provider, ADVAXIS will advance funds for such expenses.

4. **Relationship.** MediVector agrees, as a condition of this Agreement, to the following terms:

- 4.1. **Organization.** MediVector is and at all times during the Term (defined below) shall remain, a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of organization.
- 4.2. **Authorization.** The execution and delivery of this Agreement has been duly authorized by all requisite corporate action. This Agreement is and shall remain a valid and binding obligation of both

parties, enforceable in accordance with its terms, subject to laws of general application relating to bankruptcy, insolvency and the relief of debtors.

- 4.3. Insurance.** MediVector shall procure and maintain, at its sole expense, with financially sound and reputable insurers, insurance coverage (including worker's compensation for 100/500/100 and comprehensive liability coverage for \$1 million) with respect to the conduct of its business
- 4.4. Absence of Restrictions.** MediVector is under no contractual or other obligation or restriction that is inconsistent with MediVector's execution of this Agreement or the performance of Services. During the Term, MediVector will not enter into any agreement, either written or oral, in conflict with MediVector's obligations under this Agreement or under any Project Order. MediVector will arrange to provide the Services in such manner and at such times that the Services will not conflict with MediVector's responsibilities under any other agreement, arrangement or understanding or pursuant to any employment relationship MediVector has at any time with any third party.
- 4.5. Personnel.** MediVector represents and warrants to ADVAXIS that it has, and shall engage, competent employees and agents with the proper skill, training and background to support its obligation to render the Services to ADVAXIS in accordance with this Agreement.
- a. MediVector Responsibilities.** MediVector shall be solely responsible for any and all salaries, fees, state and federal taxes, withholding, FICA, worker's compensation or other payments due in respect of the compensation paid to MediVector by ADVAXIS or by MediVector to any employee or agent employed by Service Provider.
  - b. Employee Benefits.** MediVector's employees and agents shall have no rights to receive from ADVAXIS any employee benefits, such as health and accident insurance, sick leave or vacation, which are accorded to ADVAXIS' own employees.
  - c. Subcontracting.** With ADVAXIS's prior written consent, MediVector may subcontract the performance of certain of its obligations under a specific Project Order to qualified third parties, provided that (i) MediVector notifies ADVAXIS of the proposed subcontractor and identifies the specific Services to be performed by such subcontractors (ii) such subcontractor performs such Services in a manner consistent with the terms and conditions of this Agreement, and (iii) MediVector remains liable for the performance of such subcontractor.
  - d. Agreements with Personnel.** MediVector has or shall obtain agreements with all employees, consultants, subcontractors, and advisors who participate in rendering the Services which (i) impose confidentiality obligations on such personnel consistent with the terms of the Confidentiality Agreement, and (ii) effectively vest in MediVector any and all rights which such individuals and/or entities might otherwise have in the results of their work and are adequate to permit MediVector to transfer such rights to ADVAXIS under Section 6.2 of this Agreement.
  - e. Employees and Subcontractors.** MediVector agrees not to solicit any ADVAXIS employees.
- 4.6. Confidential Information of Third Parties.** The performance of Services does not and will not breach any agreement that obligates MediVector to keep in confidence any confidential or proprietary information of any third party or to refrain from competing, directly or indirectly, with the business of any third party. MediVector shall not disclose to ADVAXIS any such confidential or proprietary information.
- 4.7. Compliance with Policies and Regulations.** In performing Services, MediVector shall comply with all applicable business conduct, regulatory, and health and safety guidelines or regulations established by any relevant governmental authority. In addition, MediVector shall comply with all applicable

ADVAXIS guidelines that MediVector is made aware of by ADVAXIS that do not violate any applicable regulations or laws.

**4.8. Warranties Relating to Services and Results.**

- a. **General Warranties.** MediVector warrants and represents that all Services will be performed in a timely, expert and professional manner in accordance with generally accepted industry standards and practices for the performance of similar services; and that MediVector's provision of, and ADVAXIS' use of, Services and Results in accordance with this Agreement shall not violate any patent, trade secret or other proprietary or intellectual property right of any third party.
- b. **No Disabling Devices; Viruses; GNU Licenses.** MediVector represents that, to the best of its knowledge neither the Results nor the MediVector Program contain any disabling device, code, computer virus or defect that will, with the passage of time or otherwise, impair the use of the Results. Further, MediVector represents that to the best of its knowledge neither the Results nor the MediVector Program contain any software covered by any GNU license or similar "open source" license, or other software which could compromise or interfere in any way with ADVAXIS' intellectual property rights in or use of such Results as provided under this Agreement.
- c. **Software Warranty.** MediVector represents and warrants that any software being provided by MediVector in connection with performing the Services will substantially conform to the specifications set forth in the applicable Project Order.
- d. **Limitation of Warranties.**

THE WARRANTIES EXPRESSED IN SECTION 4.8 AND ANY OTHER WARRANTIES EXPRESSLY PROVIDED HEREIN ARE IN LIEU OF ANY AND ALL OTHER WARRANTIES, WRITTEN OR ORAL, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY OR WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE, ALL OF WHICH MEDIVECTOR DISCLAIMS.

ADVAXIS ACKNOWLEDGES THAT THE PRESENCE OR ABSENCE OF INFORMATION, DATA, EVENTS, RESEARCH OR DEVELOPMENTS IN THE RESULTS IS NOT THE RESPONSIBILITY OF THE SERVICE PROVIDER.

MEDIVECTOR ASSUMES NO RESPONSIBILITY FOR THE USE OF THE RESULTS BY ADVAXIS OR ANY OTHER PERSON, AND MEDIVECTOR SHALL NOT BE LIABLE FOR LOSS OF PROFITS, LOSS OF USE, OR INCIDENTAL, CONSEQUENTIAL, OR EXEMPLARY DAMAGES AS A RESULT OF SUCH USE, EVEN IF EXPRESSLY MADE AWARE OF THE POSSIBILITY THEREOF.

MEDIVECTOR SHALL NOT IN ANY EVENT BE LIABLE FOR MORE THAN THE VALUE OF A PROJECT ORDER FOR DAMAGES ALLEGED IN CONNECTION WITH THAT PROJECT ORDER (WHETHER SUCH LIABILITY ARISES FROM BREACH OF WARRANTY, BREACH OF THIS CONTRACT OR OTHERWISE, AND WHETHER IN CONTRACT OR IN TORT, INCLUDING NEGLIGENCE AND STRICT LIABILITY).

- 4.9 **Absence of Debarment.** MediVector represents that neither it, nor any of its employees, subcontractors or consultants or advisors performing the Services under this Agreement, have been debarred, and to the best of its knowledge, are not under consideration to be debarred, by the Food and

Drug Administration from working in or providing services to any pharmaceutical or biotechnology company under the Generic Drug Enforcement Act of 1992.

5. **ADVAXIS' Representations and Covenants.** ADVAXIS agrees, as a condition of this Agreement, to the following terms:

- 5.1. **Organization.** ADVAXIS is and at all times during the Term (defined below) shall remain, a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of organization.
- 5.2. **Authorization.** The execution and delivery of this Agreement has been duly authorized by all requisite corporate action. This Agreement is and shall remain a valid and binding obligation of both parties, enforceable in accordance with its terms, subject to laws of general application relating to bankruptcy, insolvency and the relief of debtors.
- 5.3. **Insurance.** ADVAXIS shall procure and maintain, at its sole expense, with financially sound and reputable insurers, insurance coverage (including worker's compensation and comprehensive liability coverage) with respect to the conduct of its business against loss from such risks and in such amounts as is customary for well-insured companies engaged in similar businesses.
- 5.4. **Employees and Subcontractors.** ADVAXIS agrees not to solicit any consultant or employees of MediVector.
- 5.5. **Confidential Information of Third Parties.** The Services requested, Materials provided or information provided by ADVAXIS under this Agreement do not and will not breach any agreement that obligates ADVAXIS to keep in confidence any confidential or proprietary information of any third party or to refrain from competing, directly or indirectly, with the business of any third party. ADVAXIS shall not disclose to MediVector any such confidential or proprietary information.
- 5.6. **Protection of MediVector Program by Trial Sites:** ADVAXIS will inform any person who will have access to the MediVector Program, including without limitation persons who participate in ADVAXIS trials and who enter data into the MediVector Program, that the MediVector Program and all components and versions thereof are the confidential property of MediVector. ADVAXIS will include in its agreements with trial sites a provision pursuant to which such trial sites agree to maintain the confidentiality of the MediVector Program.

6. **Compensation.** As full consideration for Services provided under a Project Order, ADVAXIS shall pay MediVector in accordance with the fee and payment schedule set forth in the applicable Project Order. MediVector shall invoice ADVAXIS as follows: Attention: Mr. Fred Cobb, CFO for Services rendered hereunder, and shall include the ADVAXIS agreement number provided above or on each separate Project Order. All payments shall be made by ADVAXIS within fourteen (14) days of its receipt of an acceptable invoice from Service Provider. Any invoice that is not paid within thirty (30) days of invoice will accrue interest at a rate of one and one-half percent (1.5%) per month until paid. The payment of any invoice (other than an invoice payable upon execution of a Project Order) shall be subject to ADVAXIS's reasonable satisfaction with the conduct of the Services, resolution of any invoice queries, and the timely delivery of the Services covered by such invoice.

7. **Proprietary Rights.**

- 7.1. **Materials.** All Materials provided by ADVAXIS to MediVector for the performance of Services and all associated intellectual property rights shall remain the exclusive property of ADVAXIS, except as otherwise provided in Section 7.3. MediVector shall use Materials provided by ADVAXIS under any Project Order solely for rendering the Services under the applicable Project Order. Any Materials

remaining upon completion of the Services under a Project Order shall be, at ADVAXIS' direction, either returned to ADVAXIS or destroyed, with one copy retained by MediVector solely for archival purposes.

- 7.2. **Results.** MediVector hereby assigns and agrees to assign to ADVAXIS title to the Results, including any intellectual property rights embodied in such Results (whether or not protectible under patent, copyright, trade secret or similar laws) with the exception the MediVector Program, which shall remain the exclusive property of Service Provider. MediVector hereby undertakes and agrees to execute such assignments and other papers which, in the opinion of ADVAXIS, are necessary at any time to permit the filing and prosecution of copyrights, applications for copyrights, applications for patents covering the Results or are otherwise required for compliance with the provisions of this paragraph. In the event that others are, or may hereafter become, associated with MediVector or be used by MediVector in connection with the work called for by this Agreement, MediVector agrees to procure from them agreements containing analogous obligations to the obligations of this Agreement, and MediVector agrees to cooperate with ADVAXIS in procuring execution by them of such assignments and other papers as may be required. If ADVAXIS is unable for any reason to secure MediVector's signature to apply for or to pursue any application for any United States or foreign patents, copyright or trademark registrations covering the assignments to ADVAXIS above, then MediVector hereby irrevocably designates and appoints ADVAXIS and its duly authorized officers and agents as MediVector's agent and attorney-in-fact, to act for and in MediVector's behalf and stead, to execute and file any such applications and to do all other lawfully permitted acts to further the prosecution and issuance of patents, copyright, mask work and trademark registrations thereon with the same legal force and effect as if executed by Service Provider. ADVAXIS shall be free to use Results for any and all purposes.
- 7.3. **MediVector Proprietary Information.** The MediVector Program and all versions and components thereof shall remain the sole and exclusive property of Service Provider. ADVAXIS shall have the full and free right to use any and all parts of the data and reports provided to it under this Agreement in any way deemed by it to be necessary or desirable either directly or through agents or otherwise without additional payment of any compensation to MediVector for such use except as herein specifically provided. ADVAXIS ownership of the Results, data and reports as described above will not be deemed to convey to ADVAXIS any right, title or license to the MediVector Program.
- 7.4. **Work at Third Party Facilities.** Except as set forth in, and in accordance with, Section 4.5(c), MediVector shall not transfer Material, engage in any activities or use any third party facilities or intellectual property in performing the Services that could result in claims of ownership to Results or Materials being made by such third party.
- 7.5. **Records; Records Storage.** MediVector shall maintain all materials and all other data and documentation obtained or generated by MediVector in the course of providing Services hereunder, including all computerized records and files (the "Records") in a secure area reasonably protected from fire, theft and destruction. These Records shall be "works made for hire" and shall remain the exclusive property of ADVAXIS, except as provided in Section 7.3.
- 7.6. **Record Retention.** Upon written instruction of ADVAXIS, all Records shall, at ADVAXIS' option either be (i) delivered to ADVAXIS or to its designee in such form as is then currently in the possession of Service Provider, (ii) retained by MediVector for a period of five (5) years, or as such longer period as may be required as a matter of law or regulation or (iii) disposed of, at the direction and written request of ADVAXIS, unless such Records are otherwise required to be stored or maintained by MediVector as a matter of law or regulation. In no event shall MediVector dispose of any such Records without first giving ADVAXIS sixty (60) days' prior written notice of its intent to do so. Notwithstanding the foregoing, MediVector may retain one copy of any such Records for archival purposes only, subject to MediVector's obligation of confidentiality.

**8. Confidentiality.**

- 8.1 **Existing Confidentiality Agreement.** The parties acknowledge and confirm that the Confidentiality Agreement dated February 26, 2007 remains in full force and shall apply to any information generated or exchanged pursuant to this Agreement. Notwithstanding the foregoing, MediVector agrees that ADVAXIS may, with the prior written consent of MediVector, disclose MediVector Confidential Information to its consultants and advisors on a need-to-know basis so long as such consultants and advisors are under an obligation of confidentiality as least as restrictive as the obligation of ADVAXIS under the Confidentiality Agreement. ADVAXIS acknowledges that under no circumstances will MediVector provide its consent for the disclosure of MediVector Confidential Information to any consultant, advisor or other person who MediVector reasonably believes has any relationship with a MediVector competitor.
- 8.2 **Exportation of Data.** Recipient shall adhere to the U.S. Export Administration Laws and regulations and shall not export any technical data received from ADVAXIS or the direct product of such technical data to any proscribed country listed in the U.S. Export Administration Regulations unless properly authorized by the U.S. Government.

9. **Publication.** ADVAXIS shall have the right to publish and disclose, and control the publication and disclosure of, the Results.

10. **Indemnification by Service Provider.** MediVector will defend, indemnify, save and hold ADVAXIS and its directors, officers, employees and agents (together, the "ADVAXIS Indemnitees") harmless from and against any third party claims, demands, suits, actions, causes of actions, losses, damages, fines and liabilities, including reasonable attorneys' fees ("ADVAXIS Losses"), arising out of any negligence or willful misconduct by MediVector in its performance of the Services or any material breach of this Agreement by Service Provider, and will pay any costs and damages which, by final judgment, after exhaustion of all reasonable appeals, may be assessed against any ADVAXIS Indemnitee, except that MediVector shall not be obligated to indemnify any ADVAXIS Indemnitees for ADVAXIS Losses to the extent they result from the negligence or willful misconduct of the ADVAXIS Indemnitees. The foregoing indemnification shall be contingent upon ADVAXIS promptly notifying MediVector of a ADVAXIS Loss and providing reasonable cooperation (at MediVector's expense) and tendering to MediVector (and/or its insurer) full authority to defend or settle the claim or suit. ADVAXIS has the right to participate (at its own expense) in the claim or suit and in selecting counsel therefore. Notwithstanding the foregoing, however, MediVector shall not settle or admit liability with respect to any such claim which would result in liability to an ADVAXIS Indemnitee without ADVAXIS' prior written consent, which consent shall not be unreasonably withheld or delayed.

11. **Indemnification by ADVAXIS.** ADVAXIS will defend, indemnify, save and hold MediVector and its directors, officers, employees and agents (together, the "Provider Indemnitees") harmless from and against any third party claims, demands, suits, actions, causes of actions, losses, damages, fines and liabilities, including reasonable attorneys' fees ("Provider Losses"), arising out of (i) ADVAXIS' negligence or willful misconduct in connection with this Agreement, or (ii) ADVAXIS' use of the Results, and will pay any costs and damages which, by final judgment, after exhaustion of all reasonable appeals, may be assessed against the Provider Indemnitees, except that ADVAXIS shall not be obligated to indemnify MediVector for Provider Losses to the extent they result from the negligence or willful misconduct of the Provider Indemnitees. The foregoing indemnification shall be contingent upon MediVector promptly notifying ADVAXIS of a MediVector Loss and providing reasonable cooperation (at ADVAXIS' expense) and tendering to ADVAXIS (and/or its insurer) full authority to defend or settle the claim or suit. MediVector has the right to participate (at its own expense) in the claim or suit and in selecting counsel therefore. Notwithstanding the foregoing, however, ADVAXIS shall not settle or admit

liability with respect to any such claim which would result in liability to a Provider Indemnitee without MediVector's prior written consent, which consent shall not be unreasonably withheld or delayed.

## 12. Term and Termination.

**12.1. Term.** This Agreement will commence on the Effective Date and shall expire on the later of (a) two (2) years from the Effective Date or (b) the completion of all Services under the last Project Order executed by the parties prior to the second anniversary of the Effective Date or (c) payment of all monies due under this Agreement. The Term may be extended by mutual agreement of the parties or earlier terminated in accordance with Section 12.2 or 12.3 below.

### 12.2. Termination for Cause.

- a. **By ADVAXIS.** ADVAXIS may immediately terminate this Agreement at any time upon written notice to MediVector in the event of a breach of this Agreement by MediVector that cannot be cured (*i.e.* breach of the confidentiality obligations).
- b. **By Either Party.** Either party may terminate this Agreement or any Project Order(s) for cause at any time upon thirty (30) days prior written notice to the other party. "Cause" shall mean (i) material breach by either party of this Agreement or of a Project Order where such breach, if curable, is not remedied to the other party's reasonable satisfaction within such thirty (30) day period, or (ii) a material change reasonably unacceptable to either party in the other party's ability to function as a going concern, to conduct its operations in the normal course of business or to perform its obligations under this Agreement or under any Project Order. In addition, for ADVAXIS, "Cause" shall include unsatisfactory performance of the Services that shall continue after specific notice thereof has been received by Service Provider, and the thirty (30) day period shall have passed after the receipt of such notice during which MediVector fails to cure such specific unsatisfactory performance.

**12.3. Termination without Cause.** ADVAXIS may terminate this Agreement or any Project Order at any time without cause upon not less than thirty (30) days' prior written notice to Service Provider. MediVector may terminate this Agreement at any time without cause upon not less than thirty (30) days' prior written notice to ADVAXIS; provided however that MediVector shall not terminate the Agreement until all Services under active and ongoing Project Orders are completed and accepted by ADVAXIS, unless payments due under this Agreement are over 30 days overdue.

**12.4. Effect of Termination or Expiration.** Upon termination or expiration of this Agreement, neither MediVector nor ADVAXIS shall have any further obligations under this Agreement, or in the case of termination or expiration of a Project Order, under such Project Order, except that (a) MediVector shall terminate all Services in progress in an orderly manner as soon as practical and in accordance with a schedule and budget agreed to by ADVAXIS, unless ADVAXIS specifies in the notice of termination that Services in progress should be completed, (b) MediVector shall deliver to ADVAXIS any Materials in its possession or control and all Results developed through termination or expiration, (c) ADVAXIS shall pay MediVector any monies due and owing Service Provider, up to the time of termination or expiration, for Services actually performed and all authorized expenses actually incurred (as specified in the applicable Project Order), provided that in no event shall the amount payable upon termination for any Project Order exceed the total amount of the budget defined in such Project Order plus 10%, unless termination requires more work than would have been required to complete the project under the Project Order, and (d) MediVector shall immediately return to ADVAXIS all ADVAXIS Confidential Information and copies thereof provided to MediVector under this Agreement or under any Project Order which has been terminated or has expired, with the exception of one copy of each document to be retained in MediVector's confidential files for archival purposes. In the case of Termination by ADVAXIS without cause, a payment of 10% of the value of

the terminated Project Order(s) will be due in addition to any payments described above, upon delivery to ADVAXIS of the last of the materials described above.

- 12.5. **Survival.** The obligations which by their terms survive termination or expiration of this Agreement or of any Project Order, including, without limitation, the applicable ownership, confidentiality, publication, warranty and indemnification provisions of this Agreement, shall survive any termination of this Agreement or of any Project Order.

13. **Miscellaneous.**

- 13.1. **Independent Contractor.** MediVector's relation to ADVAXIS shall be that of an independent contractor and neither this Agreement nor the services to be rendered hereunder shall for any purpose whatsoever or in any way or manner create any employer-employee relationship between the parties. MediVector shall not be deemed an agent of ADVAXIS for any purpose and shall have no authority to bind ADVAXIS. MediVector shall not in any way represent itself to be a partner, joint venturer or employee of or with ADVAXIS.
- 13.2. **Use of Name.** Neither party shall use the other party's name in any form of advertising, promotion or publicity, including press releases, without the prior written consent of the other party, provided, however, that the foregoing shall not preclude any legally required disclosure or reports generated in the normal course of business.
- 13.3. **Notice.** All communications and notices from one party to the other shall be in writing and shall be given by addressing the same to the other at the address or facsimile number set forth in this Agreement, or at such other address or facsimile number as either may specify in writing to the other in conformity with this Section. Non-medical communications and notices to ADVAXIS will be marked "**Attention: Dr. John Rothman**" and all medical and regulatory communications and notices to ADVAXIS will be marked "**Attention: Dr. John Rothman.**" All notices shall become effective when (a) deposited in the United States mail with proper postage for first class Registered or Certified Mail prepaid, return receipt requested, (b) sent by any reputable commercial courier, delivery confirmation requested, (c) delivered personally, or (d) if promptly confirmed by mail or commercial courier as provided above, when dispatched by facsimile.
- 13.4. **Assignment.** This Agreement, and the rights and obligations hereunder, may not be assigned or transferred by either party without the prior written consent of the other party, except that ADVAXIS may assign this Agreement, in whole or in part, to an affiliated company or in connection with the merger, consolidation, sale or transfer of all or substantially all of the assets to which this Agreement relates.
- 13.5. **Entire Agreement.** This Agreement constitutes the entire agreement of the parties with regard to its subject matter, and supersedes all previous written or oral representations, agreements and understandings between ADVAXIS and Service Provider; provided, however, that the Confidentiality Agreement remains in full force and effect.
- 13.6. **Waivers.** The waiver by either party or the failure by either party to claim a breach of any provision of this Agreement shall not be deemed to constitute a waiver or estoppel with respect to any subsequent breach or with respect to any provision thereof.
- 13.7. **No Modification.** This Agreement and/or any Project Order may only be changed by a written document signed by authorized representatives of both parties.
- 13.8. **Severability.** In the event that any one or more of the provisions contained in this Agreement shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or

unenforceability shall not affect any other provisions of this Agreement, and all other provisions shall remain in full force and effect. If any of the provisions of this Agreement are held to be excessively broad, it shall be reformed and construed by limiting and reducing it so as to be enforceable to the maximum extent permitted by law.

- 13.9 Headings.** The paragraph headings contained herein are included solely for convenience of reference and shall not control or affect the meaning or interpretation of any of the provisions of this Agreement.
- 13.10 Construction.** The parties acknowledge that each party and its counsel have reviewed and participated in the preparation of this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any amendments or exhibits hereto. As the context requires, words connoting the singular include the plural, words connoting the masculine gender include the feminine or neutral gender, and vice versa.
- 13.11 Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.
- 13.12 Applicable Law.** This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the Commonwealth of Massachusetts applicable to contracts made and to be performed therein, without giving effect to the principles thereof relating to the conflict of laws.

*[Signatures appear on the following page]*

ADVAXIS, INC.

By John Rothman  
Print Name JOHN ROTHMAN  
Title VP clinical Development  
duly authorized

SERVICE PROVIDER: MEDIVECTOR, INC

By Carol Epstein  
Print Name Carol Epstein, MD  
Title Executive Vice President, Chief Medical Officer  
duly authorized

Address 245 First Street 18<sup>th</sup> Floor  
Cambridge, MA 02142

6/21/07

Telephone (617) 374-6502

Facsimile (617) 241-0430

State of Incorporation (if applicable) Delaware

Taxpayer Identification No. EIN 04 3404450

Appendix A  
Consulting Rates Valid through December 2007

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Skill	Standard Fee
Dr. Carol Epstein	\$400/hour
Dr. Api Rudich	400/hour
Associate Director, Clinical Research	240/hour
Regulatory Affairs (VP level)	355/hour
Regulatory Affairs (Director level)	250/hour
QA Auditor	175/hour
Statistician (VP level)	225/hour
Statistician	150/hour
Project Manager	200/hour
CRA	150/hour
Senior Medical Writer	175/hour
Medical Writer	145/hour
SAS Programmer	140/hour
Web Programmer	130/hour
Data Entry	55/hour
Network Manager	140/hour
Administrative Support	50/hour

The fee for outside expert consultants depends on the level of their expertise. Quotes will be provided as appropriate, and require the prior approval of ADVAXIS

# Crystal Research a s s o c i a t e s

## Letter of Agreement between Crystal Research Associates, LLC and Advaxis Inc.

Date: November 21, 2007

Crystal Research Associates, LLC (CRA), whose primary office is located at 800 3rd Avenue, 17th Floor, New York, NY 10022, is being contracted to write an Executive Informational Overview<sup>®</sup> (EIO<sup>®</sup>) by and for Advaxis Inc., The Technology Centre of New Jersey, Suite 117 675 US Route 1, North Brunswick, NJ 08902.

CRA will compile the EIO<sup>®</sup> from previously announced, publicly disseminated information in full compliance with Regulation FD (Fair Disclosure) of the U.S. Securities and Exchange Commission (SEC). The EIO<sup>®</sup> shall be an extended report consisting of 30 to 60+ pages, without maximum, augmented with extensive market perspective written by CRA. Upon completing the EIO<sup>®</sup>, CRA will submit the document to Advaxis Inc. management for approval. The content of the EIO<sup>®</sup> will be the responsibility of Advaxis Inc., and Advaxis Inc. shall have the right at its sole discretion to edit such content. Additionally, CRA shall write four (4) quarterly updates of approximately 8-16 pages each, such updates based upon Advaxis Inc. news announcements, focus, and product development. In year two of this agreement, CRA will update the base EIO<sup>®</sup> and provide four (4) additional quarterly updates.

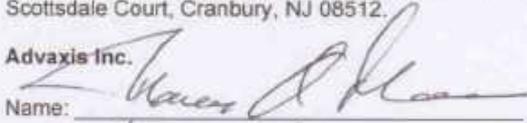
The final version of the EIO<sup>®</sup> will be delivered in Portable Document Format (via Adobe Acrobat PDF) file to Advaxis Inc. Before release of a final PDF file to Advaxis Inc., the Company will be required to acknowledge approval of the content of the EIO<sup>®</sup> by having the Chairman, President, or Chief Financial Officer initial, sign, and return by fax or mail to CRA a hard copy.

Advaxis Inc. will choose the quantity of hard copies that will be printed by CRA (ranging from a minimum of 3,000 copies) and CRA will be the sole source of any such reproduction or printing of reports. CRA is contracted with a high-quality printer which standardizes our EIO<sup>®</sup>s. The standardization is critical to ensuring consistent quality of product by our firm. CRA will submit the printing estimate to the Company for approval prior to print. Advaxis Inc. will be responsible for any charges related to printing and shipping. CRA reserves the right to post the approved Advaxis Inc. EIO<sup>®</sup> on its website, [www.crystalra.com](http://www.crystalra.com), at no additional cost to Advaxis Inc.

The cost for the first year, including the initial extended EIO<sup>®</sup> report (which is not to exceed two revisions) and the four updates, is forty thousand U.S. dollars (US \$40,000.00) and four hundred thousand (400,000) four year options/warrants to purchase Advaxis Inc. stock at \$0.20. The first payment is due upon the signing of this contract and consists of a cash fee of twenty thousand U.S. dollars (US \$20,000.00) and the option/warrant paperwork. The remaining balance of twenty thousand U.S. dollars (US \$20,000.00) is to be paid to CRA within 10 days of receiving the first draft of the EIO<sup>®</sup>. In addition, the payment for year two of this agreement is twenty thousand U.S. dollars (US \$20,000.00), and one hundred and fifty thousand (150,000) options/warrants with a strike price equal to that of the stock on the anniversary date due on November 21, 2008. Advaxis Inc. will be responsible for two roundtrip coach class airfares and related expenses to visit its facilities and conduct due diligence at headquarters.

Please acknowledge your acceptance of these terms by signing below and faxing document to (609) 395-9339, and then mailing the original along with the initial payment to Crystal Research Associates, LLC (CRA) at 23 Scottsdale Court, Cranbury, NJ 08512.

Advaxis Inc.

Name: 

Title: Chairman/CEO

Date: 11/28/07

23 Scottsdale Court, Cranbury, NJ 08512  
P: 609-306-2274 F: 609-395-9339  
[www.crystalra.com](http://www.crystalra.com)

**Service Proposal  
O781**

**Advaxis**

The Technology Centre of New Jersey  
Suite 117  
675 U.S. Route 1  
North Brunswick, NJ  
08902

May 14, 2007

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**Inquiries regarding this proposal should be directed to:**

Jason Rahal  
Senior VP Business Development  
Telephone: (773) 478-5334  
Fax: (773) 478-4221  
email: [jason.rah@cobrabio.com](mailto:jason.rah@cobrabio.com)

Cobra Biomanufacturing Plc  
Stephenson Building  
The Science Park  
Keele,  
Staffordshire  
ST5 5SP, UK



## **Executive Summary**

Advaxis has requested a service proposal from Cobra for the provision of research, development and technical consultancy services.

The program consists of the following stages:

1. Protocol Generation
2. Freezing Study
3. Formulation buffer evaluation
4. Analysis
5. Report
6. Post-Lyophilization QC Analysis

The price for this program is £47,250. This price does not include the cost of raw materials, consumables, process-specific equipment, or third party testing.



## Scope of Work

### Stage 1: Protocol Generation

#### Aim of stage:

Generate a protocol for the work program.

#### The following work will be performed:

A protocol will be generated, identifying the following:

- Cell culture procedure
- Formulation details
- Product concentration
- Sample containers
- Aliquot size
- Sample storage conditions
- Shipping procedures
- Analysis of pre and post lyophilized material

#### Deliverables from Cobra:

- Protocol for the work program

#### Deliverables from Advaxis:

- Approval of protocol from Advaxis

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## **Stage 2: Freezing Study**

### Aim of stage:

A study will be performed with the intended product containers to verify the freeze-thaw procedure prior to the formulation buffer evaluation in Stage 3.

### The following work will be performed:

- a) Aliquots of the formulations buffers identified in Appendix A will be frozen at minus 80°C. Buffers will be frozen at 100mL scale in 1L Stedim bags. The freezing and thawing conditions will be monitored. Photographs of the material will be taken after freezing.
- b) Samples of the buffers will be shipped to Advaxis for lyophilization experiments.

### Deliverables from Cobra:

- Supply of frozen formulation buffers
- Technical update

### Assumptions:

For the purpose of this proposal it is assumed that:

- Visual appearance and photographs will be suitable to determine freeze/thaw rates.

### Stage 3: 5L Fermentation and Formulation Buffer Evaluation

#### Aim of stage:

Evaluation of novel formulation buffers to protect the cells during freezing, shipping and lyophilization.

#### The following work will be performed:

- a) One 5L fermentation will be conducted to supply *Listeria monocytogenes* for the study.
- b) Material will be formulated as detailed in Attachment A at a concentration of  $1 \times 10^{10}$  CFU/mL and aliquoted with a 100mL fill in a 1L Stedim bag. Three aliquots of product in each buffer will then be frozen at  $-80^{\circ}\text{C}$  in Stedim bags. Following 48 hours of storage one of the aliquots of each buffer will be thawed and a viable count performed.
- c) The thawed material will then be placed into five cryovials and re-frozen. Following at least 48 hours at  $-80^{\circ}\text{C}$ . The material will be thawed and another viable count performed.
- d) Product formulated into the control buffer will also be frozen at 1L scale in a 10L Stedim bag. The material will be thawed and the viable cell concentration measured. This data will support scale up for future manufactures.
- e) One of the remaining two aliquots of each buffer will be shipped to Advaxis for lyophilization studies. The third aliquot will be kept as a retain sample until the lyophilization work is complete.
- d) Retain samples in cryovials will be taken during the PBS wash stage and frozen at  $-80^{\circ}\text{C}$  for later QC analysis in order to demonstrate similar quality to Phase I Lovaxin C. A 2% glycerol solution will be added as a cryoprotectant.

#### Deliverables from Cobra:

- Material for lyophilization studies
- Technical update

#### Deliverables from Advaxis:

- Approval of acceptable buffers to be sent to the lyophilization house from Advaxis

#### Assumptions:

For the purpose of this proposal it is assumed that:

- One 5L fermentation will provide sufficient material for Stage 4
- Approval of Cobra GM Committee for shipment of material on dry ice in Stedim bags or an alternative type of container

## **Stage 4: Analysis**

### Aim of stage:

QC Analysis of the bulk material generated in Stage 3 to demonstrate product functionality/purity/viability prior to lyophilization studies.

### The following work will be performed:

a) A sample of the bulk cell suspension will be tested to the specification used to clear the formulated bulk product these tests are outlined below:-

- Purity by counter selection
- Viable count
- Confirmation of species using API *Listeria*
- Haemolysis test
- Macrophage Infection Assay
- Western Blot

### Deliverables from Cobra:

- QC Report

### Assumptions:

For the purpose of this proposal it is assumed that:

- One QC clearance will be required on the material from Stage 4 as a bulk formulated in PBS with 2% glycerol as a cryoprotectant.

## **Stage 5: Reports**

### Aim of stage:

A detailed report on the studies performed will be generated

### Deliverables from Cobra:

- Final Report

## **Stage 6: Post Lyophilization QC Analysis**

### Aim of stage:

To perform a QC analysis of one sample following the lyophilization studies to demonstrate the product is viable/functional/pure.

### The following work will be performed:

a) Up to five samples of post-lyophilization material will be received from Advaxis. The cells will be reconstituted and viable counts performed. The viable cell concentration will be used to select one sample for part (b).

b) One sample (ie one formulation buffer) will be selected following lyophilization studies and a range of QC tests will be carried out.

- Purity by counter selection
- Viable count
- Confirmation of species using API *Listeria*
- Haemolysis test
- Macrophage Infection Assay
- Western Blot

### Deliverables from Cobra:

- QC Report

### Assumptions:

For the purpose of this proposal it is assumed that:

- One sample from the 5 formulation buffers will be selected and a QC clearance will be carried out. If further QC clearances are required then they will be carried out as a variation.

## Project Summary

Project Stage	Advaxis Activities	Cobra Activities	Deliverables
Capacity Reservation	Payment of reservation fee	Reservation of resources	Confirmation of reservation
Stage 1		Generation of Protocol	Protocol
Stage 2		Freezing Study	Report
Stage 3	Decision on Buffers to be shipped	Cell Culture	Material form 5L
Stage 4		Analysis	Report
Stage 5		Report	Final Report
Stage 6		QC of Post-Lyo Material	QC Report

## Payment Table

Milestone	Cobra Deliverable	Percent of Price
Capacity Reservation	Cobra will reserve the necessary resources for the project	£18,900.00
Stage 1	Protocol for the program	£4,725.00
Stage 2	Technical Update	£4,725.00
Stage 3	Material form 5L fermentation	£4,725.00
Stage 4	QC Report	£4,725.00
Stage 5	Final Report	£4,725.00
Stage 6	QC Report	£4,725.00

Project subtotal: £47,250. This figure does not include outsourced testing activities, materials or equipment costs. Materials are estimated at £ 3,000.



### **Confidentiality and Communication**

This proposal has been prepared by Cobra for Advaxis. This proposal contains information proprietary to Cobra and must not be copied or otherwise distributed other than for the purpose of review by Advaxis, in accordance with the terms of the existing CDA.

All Advaxis related information, including this proposal, will be treated in strict confidence. To further protect Advaxis confidentiality, each client is assigned a unique identifying code that is used to refer to the client and the client's product throughout Cobra's facility. All client information is treated in the same manner as controlled documents.

Any questions regarding this estimate should be directed to:

Jason Rahal  
Senior VP Business Development  
Telephone: (773) 478-5334  
Fax: (773) 478-4221  
email: [jason.rahal@cohrabio.com](mailto:jason.rahal@cohrabio.com)

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**Terms of Payment / Sign-off Sheet**

**Contract Number: O781**

**Provision of Research and Development Technical Consultancy Services**

Upon signature of this Service Proposal reference number O781, Cobra Biologics Ltd., a wholly-owned subsidiary of Cobra Biomanufacturing Plc, will issue an invoice for £18,900 as a Capacity Reservation Fee for Cobra's resources used for the Advaxis project and Advaxis shall pay to Cobra such Capacity Reservation Fee payable by return wire transfer (Net Immediate).

Receipt of the payment will reserve the resources to conduct this program. Payments are non-refundable.

The terms and conditions of the Strategic Collaboration and Long Term Vaccine Supply Agreement ("the Agreement") having an effective date of October 31, 2005 will apply to this Service Proposal. Upon signature of this Service Proposal, this document automatically becomes a Service Schedule under "the Agreement", will be referenced: O781 and shall form a separate and distinct Contract under the umbrella terms of "the Agreement".

On commencement of the Services, each stage will be invoiced in accordance with the payment table. Such payments will be due 30 days from the date of the invoice.

Raw materials, process-specific equipment, and third party testing will be invoiced to Advaxis upon receipt of invoices by Cobra. Such invoices will be payable by return wire transfer (Net Immediate).

This proposal is valid until May 21, 2007.

For: Advaxis, Inc.

For: Cobra Biologics Ltd.

Accepted By: John Rothman

Accepted By: David R. Thatcher

Signature: *John Rothman*

Signature: *David R. Thatcher*

Title: V.P. Clinical Development

Title: Chief Executive Officer

Date: 22 May 2007

Date: 18 May 2007

## **Attachment A**

Control buffer; PBS with 2% with NaCl

Buffer 1; PBS, 20g/L Sucrose with NaCl

Buffer 2; PBS, 20g/L Sucrose without NaCl

Buffer 3; PBS, 20g/L Dextran with NaCl

Buffer 4; PBS, 20g/L Dextran without NaCl



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Development and Technical Consultancy Services

**Service Proposal for the Generation of Lovaxin C  
Phase II Material**

**Advaxis**

North Brunswick  
New Jersey

September 20, 2007

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**Inquiries regarding this proposal should be directed to:**

Jason Rahal  
Senior VP Business Development, North America  
Telephone: 773.478.5334  
Fax: 773.478.4221  
Mobile: 773.865.2411  
email: [jason.rah@cobrablo.com](mailto:jason.rah@cobrablo.com)

Cobra Biomanufacturing Plc  
Stephenson Building  
The Science Park  
Keele,  
Staffordshire  
ST5 5SP, UK



## Executive Summary

Advaxis has requested a service proposal from Cobra for the provision of services for Lovaxin C Phase II clinical material.

The program consists of the following stages:

Stage	Price
1. Process Transfer	£5,400
2. Process Validation/Shipping Qualification	£52,900
3. Assay Development	£21,100
4. Working Cell Bank production	£25,900
5. Engineering Run	£48,900
6. 5L cGMP Manufacture	£84,500
7. QC Release and QA Approval of Bulk Drug Substance	£17,900
8. QC Release and QA Approval of Drug Product by a QP	£17,900

The price for this program is £274,500. This price does not include the cost of raw materials, consumables, process-specific equipment, or subcontracted third party testing.

## **Stage 1: Process Transfer**

### **Aim of stage**

The closed manufacturing process is a system in which all operations involved in the production of the whole cell vaccine from the opening of the starting vial through to aliquoting of the final product are performed aseptically i.e. executed within validated closed and sterile environments guaranteeing monosepsis throughout.

The initial manufacturing requirement is to generate a WCB that is packaged into sterile bags suitable for sterile welding onto a Wave bioreactor system. All inocula will be performed in a disposable closed reactor system such as a Wave bioreactor. The fermentation will be performed in a closed reactor system, using aseptic connections where required.

The harvesting, washing and formulation of the product will be performed by using a sterile cross flow micro-filtration system combined with sterile bag assemblies. These devices will be used for the concentration and washing of the cells using a sterile hollow fiber micro-filtration membrane with sterile wash/formulation buffer being supplied using a sterile disposable bag assembly.

The formulation buffer will be chosen by Advaxis upon consultation with Cobra once the results from Contract 0781 are obtained. Finally, the product will be collected into sterile bags which will manifold to the product collection bag.

This system has been devised by the Process Science and Manufacturing divisions within Cobra Biomanufacturing.

The aim of Stage 1 is to generate Batch Manufacturing Records to describe this process and transfer the process to the GMP manufacturing group.

Stage 1 comprises the following studies and activities:

- a) Documentation Generation
- b) Process Transfer

### **Stage 1a: Documentation Generation**

#### **Scope of Work**

Draft Manufacturing Specifications (dMS) and draft Master Batch Manufacturing Records (dMBMR) will be generated to accurately describe the optimized and scaled-up manufacturing process. The documents will outline all aspects of the production operation including generation of inoculum, wave fermentation, harvest, concentration/buffer exchange, dilution and aliquoting to form individual bulk drug

substance. Standard operating procedures covering the equipment required, material component assemblies, and shipping protocols to comply with cGMP regulations are also generated at this stage.

**Cobra Deliverables:**

- Process Description
- Draft Manufacturing Specifications
- Draft Master Batch Manufacturing Records
- Associated Standard Operating Procedures
- Documentation for equipment and materials

**Advaxis Deliverables:**

- Approval of process description
- Review of draft Manufacturing Specifications

**Stage 1b: Process Transfer**

**Scope of work**

On completion of the generation of the draft Manufacturing Specification and Master Batch Manufacturing Records a formal process transfer will occur between the Process Science and Manufacturing groups. At this point the manufacturing operators will be fully trained in the production process using the dMBMR. The following activities will be executed during this stage:

- Training in the production process from vial initiation through to inoculation into the Wave System. This will be a documented review of the dMBMR.
- Training in the production process from the Wave cultivation through to final product aliquoting into 10 litre bags. This will be achieved by executing water runs using the closed manufacturing process to allow the manufacturing staff to become familiar with the process.
- The Manufacturing staff will critically review the dMS & dMBMR during these water runs to ensure that the records are appropriate for manufacturing use.
- A Bill of Materials and Manufacturing planning pack will be generated and all procurement initiated.

**Cobra Deliverables:**

- Fully trained production team
- Procurement for Engineering and cGMP production runs

## **Stage 2: Process Validation and Shipping Qualification**

### **Aim of Stage**

There are requirements to carry out process validation of the closed manufacturing system and qualification of the shipping procedures prior to finalizing the Manufacturing Specifications, Batch Records and any shipping Standard Operating Procedures. In order to achieve this, the following is required:

Stage 2 comprises of the following studies and activities

- a) Generation of Validation / Qualification Master Plan
- b) Execution of Broth Process Validation
- c) Qualification of Shipping Procedures

### **Stage 2a: Generation of Validation / Qualification Plan**

#### **Scope of Work**

A Validation & Qualification Master Plan (VMP/QMP) outlining qualification and validation projects will be generated. The following studies will be included in the plan:

- Operator Qualification for monoseptic processing using a closed manufacturing system.
- Process validation of the closed manufacturing system.
- Shipping qualification studies.

Once approved, this plan will be used to generate individual protocols for the execution of the program of work. The estimated documentation requirements are listed below:

- Operator qualification protocol
- Process validation protocol
- Shipping qualification study protocol covering; temperature studies, physical damage, potential ingress of CO<sub>2</sub> and maintenance of sterility.

#### **Cobra Deliverables:**

- Generation of a VMP & QMP
- Generation of individual qualification/validation protocols

#### **Advaxis Deliverables:**

- Approval of VMP & QMP

## **Stage 2b: Execution of Broth Process Validation**

### **Scope of Work**

On completion of the Process Transfer from Process Science to Manufacturing, a series of broth trials will be initiated. The manufacturing process will be executed three times at full production scale using broth. The broth trial runs will encompass the following points:

- Fully trained operators will be assigned to the broth fill runs.
- The runs will be executed in triplicate within the manufacturing processing areas, utilizing the clean room, equipment, and materials intended for use in the actual production process.
- This will cover all aspects of the manufacturing process from vial initiation to final product aliquoting into 5 x 10L bags, thus ensuring all aseptic connections and processes are challenged by broth.
- The product bags containing broth will then be incubated for two weeks at two temperatures (to be agreed upon by Advaxis and Cobra) and examined for bacterial growth.
- The broth used will be qualified to ensure it is capable of supporting bacterial growth.
- Full QC and QA review of the executed protocols and assessment on pass/fail criteria for process acceptance.

### **Cobra Deliverables:**

- Completion of three (3) broth validation runs at full manufacturing scale
- Acceptance of production process suitability for monoseptic manufacture of product

## **Stage 2c: Qualification of Shipping Procedures**

### **Scope of Work**

A Qualification Plan will be used to qualify the shipping of the drug substance with regards to temperature, physical damage, and stability of product during shipment and maintenance of sterility.

### **Temperature**

- A frozen shipment of simulated product (buffer only) will be shipped to the filling house (KP Pharma) in the USA using the carrier Biocair.
- This shipment will be packed and temperature exactly as proposed for shipment of the actual drug substance. Temperature data will be reviewed to determine acceptability of this shipping method for temperature.

### **Physical Damage and Maintenance of Sterility**

- 3 x 10L bags with 1L product will be filled and sampled for monospesis at the Cobra manufacturing site.



- 3 separate shipments of 1 x 10L bags with 1L buffer fill will be shipped to KP Pharma in the USA.
- These bags will be examined for physical damage as per an agreed visual inspection protocol.
- Maintenance of sterility can be achieved in two ways:
  - Integrity testing of the shipped product bags.
  - Incubation of buffer at temperatures and times to be agreed upon by Advaxis and Cobra.
- These activities should be executed by Advaxis and KP Pharma.

#### **Stability of Product during Bulk Shipment**

- A single experiment taking product from the Engineering Run
- The aim of this study is to determine any detrimental effects that could potentially occur to the product due to packaging on dry ice such as ingress of CO<sub>2</sub> or deterioration of viability.
- The product bag will be packaged in dry ice in the same configuration as that for shipping to the US.
- The material will be left for 4-7 days (whatever is determined as the worst case scenario) and then tested for the following:
  - Viability
  - Temperature profile during incubation period
  - pH

#### **Cobra Deliverables:**

- Assessment of suitability of shipping parameters based on qualification data.

#### **Advaxis Deliverables:**

- Approval of Qualification Plan

#### **Assumptions:**

For the purpose of this proposal it is assumed that:

- Maintenance of sterility post shipment to the US can be achieved by product bag integrity testing or incubation of received materials to determine no bacterial growth.
- These activities will be executed outside of Cobra's management system and therefore responsibility for execution of these studies will lie with Advaxis and their chosen filling partner KP Pharma.
- It is assumed that the studies listed above are for the qualification of the shipping methods only and **do not** represent a full validation program.

## **Stage 2d: Validation and Qualification Reporting**

### **Scope of Work**

On Completion of the Process Validation (Stage 2b) and all shipping qualification studies (Stage 2c) a Validation/Qualification Report will be generated. This report will summarize all data generated during the study and will be available for client approval prior to the execution of the manufacturing runs.

### **Cobra Deliverables:**

- Validation/Qualification Report

### **Advaxis Deliverables:**

- Acceptance of Validation/Qualification Report

## **Stage 3: Assay Development**

### **Aim of stage**

The monosepsis/purity testing regime will be the critical release criteria for this product. It is therefore anticipated that Cobra will partner a testing facility in the development of the monosepsis/purity assay.

The following work will be performed:

- a) Development of Monosepsis/Purity Assay
- b) Development of Western blot for LLO
- c) Run through of method for Chlorophenicol, Streptomycin and Ampicillin sensitivity

### **Cobra Deliverables:**

- Fully transferred assays to testing house
- Program management of testing samples and testing progress.

### **Advaxis Deliverables:**

- Approval of testing regime
- Approval of test method

### **Assumptions:**

For the purpose of this proposal it is assumed that:

- No further assay development is required other than that listed above.

## **Stage 4: Working Cell Bank (WCB) Production**

### **Aim of stage**

A Manufacturing Specification and Master Batch Manufacturing Record (MBMR) will be used to produce the WCB. This is a small scale production required to package the cell culture in a compatible system for Wave bioreactor fermentation.

- Cells will be serially cultured in a shake flask system to approximately 200ml.
- All aseptic manipulations will be carried out in a Biosafety cabinet (Grade A/Class 100).
- At the final harvest, the cell culture will be distributed into 10ml product in 100ml sterile bags for alignment with sterile welding onto a Wave bioreactor system for closed system manufacture of product.
- The WCB will be tested for viability, monosepsis and identity prior to release for manufacturing.

### **Cobra Deliverables:**

- Manufacturing Specification
- Master Batch Manufacturing Records
- WCB
- Certificate of Analysis

### **Advaxis Deliverables:**

- MCB vials
- Approval of Manufacturing Specification

## **Stage 5: Engineering Run**

### **Aim of stage**

To assess the manufacturing process via a full scale Engineering Run.

### **Scope of Work**

Draft Manufacturing Specifications and draft Master Batch Manufacturing Records (dMBMR) will be used to conduct the Engineering Run.

- The Engineering Run will be executed at full scale within the clean room intended for manufacturing the batch.
- The process is expected to be robust and reproducible, delivering product as per requirements outlined in a finalized Quality/Technical Agreement. If additional runs are required, the project budget and timeline will be adjusted accordingly.
- QC will analyze the material using the tests detailed in Attachment 1.



- On completion of the Engineering Run, final production and quality reviews of the manufacturing specifications and batch records are completed. Updates of these records will be carried out prior to execution of the cGMP batch manufacture.

**Cobra Deliverables:**

- Finalized Manufacturing Specification
- Finalized Master Batch Manufacturing Records
- Technical Report

**Advaxis Deliverables:**

- Approval of Quality/Technical Agreement

**Stage 6: 5L cGMP Manufacture**

**Aim of stage**

To produce Lovaxin C for Phase II clinical trial material at the 5L scale.

**Scope of work**

One production run at the 5 litre scale will be performed according to the fully approved Manufacturing Specifications and Master Batch Manufacturing Records. The Quality/Technical Agreement outlining all aspects of quality systems and control must also be in place prior to the production commencing. The following activities will be executed during the production run:

- Full clean room suite preparation and environmental testing prior to use.
- Execution of one 5 litre production scale using the closed manufacturing system.
- In-process environmental monitoring
- In-process sampling of intermediary stages of production
- QC release testing of formulation buffer per Attachment 3
- Completion and review of all BMR documents
- QC to analyze the material using the tests detailed in Attachment 1

**Cobra Deliverables:**

- 5 x 10L bags containing 1L Individual Bulk Drug Substance (IBDS) for shipping to KP Pharma
- Executed BMR
- Certificate of Analysis on product testing profile

**Advaxis Deliverables:**

- Approval of Manufacturing Specifications



## **Stage 7: QC Release Testing and QA Approval of Individual Bulk Drug Substance (IBDS)**

### **Aim of Stage**

The QC release including subcontracted assays and QA release of Individual Bulk Drug Substance.

### **Scope of Work**

Release testing assays are described in Attachment 1. This scope of work covers the execution of assays or subcontract to a testing partner. All results will be collated, reviewed and summarized in a Certificate of Analysis.

- QC testing of cGMP material and co-ordination of outsourced assays.
- Review and audit of QC testing data and submission to QA.
- QA audit of executed batch manufacturing records and associated documentation for the control of cGMP manufacture.
- QA release of cGMP material

### **Cobra Deliverables:**

- Certificate of Analysis for Individual Bulk Drug Substance
- Released Individual Bulk Drug Substance.

### **Advaxis Deliverables:**

- Approval of testing plan as outlined in Attachment 1 and the Quality/Technical Agreement

## **Stage 8: QC Release Testing and QA Approval of Final Drug Product (DP)**

### **Aim of stage**

The QC release including subcontracted assays and QA release of Final Drug Product (DP)

### **Scope of Work**

Release testing assays are described in Attachment 2. This scope of work covers the execution of assays or subcontract to a testing partner. All results will be collated, reviewed and summarized in a Certificate of Analysis.

- QC testing of cGMP material and co-ordination of outsourced assays.
- Review and audit of QC testing data and submission to QA.



- QA audit of executed batch manufacturing records and associated documentation for the control of cGMP manufacture.
- QA release of cGMP material by a QP

**Cobra Deliverables:**

- Certificate of Analysis for Final Drug Product
- QA Released Final Drug Product.

**Advaxis Deliverables:**

- Approval of testing plan as outlined in Attachment 1 and the Quality/Technical Agreement

**Assumptions:**

For the purposes of this proposal it is assumed that:

- If Cobra is expected to release the final filled drug product, it may be required that a Cobra Qualified Person (QP) audit the fill house to allow for authorization to import and release the filled material to ensure that it meets the full EU requirements (travel expenses are not included in this proposal).
- The audit must be performed prior to the actual filling of material and prove to be satisfactory.
- QP release procedures for clinical trials in the EU have not been covered in this proposal
- Pending the results of the Cobra audit of KP Pharma, Cobra will review and release the Lovaxin C Final Drug Product
- Proper cGMP procedures and maintenance of cell viability throughout the filling process is the responsibility of Advaxis and KP Pharma



**NOTES:**

1. All other terms and conditions of the Strategic Collaboration and Long Term Vaccine Supply Agreement ("the Agreement") having an effective date of October 31, 2005 are incorporated by reference as if fully set forth herein; with respect to the Services set forth in this Service Proposal O760. Per "the Agreement" work orders totalling greater than £500,000 per year will receive a retrospective 20% discount.
2. Cobra will take responsibility for any shipments. The price of shipments and insurance thereof is excluded from this contract. Shipping will be arranged in consultation with the customer and will be billed directly to the customer (plus a handling charge of up to £250 for Cobra personnel to organize and handle the shipping agent). The cost of a validated Biological shipment to the U.S. is approximately £850 - £1,050.
3. Raw materials and consumables are not included in the overall price of the work order. This cost is estimated at £20,500 and will be billed to Advaxis with a 10% surcharge. Consumables purchased or delivered to Cobra for use in this program (O760) will be insured by Advaxis or Cobra will recharge the cost of appropriate insurance coverage to Advaxis.
4. The subcontracted cost of adventitious virus testing and other subcontracted assays are not included in the overall price of the work order. Per "the Agreement" there will be an overhead charge for administering any subcontracts.
5. Per "the Agreement", one-year of vaccine storage shall be at a cost of £2,287.99 per 200 vials.
7. Per "the Agreement", stability studies shall be at the following cost.  
One Time Point at Two Temperatures for the following assays:

Appearance, pH, and Osmolality	£1,056.00
Cell Infection Assay	£3,696.00
Western Blot	£2,581.32
8. Per "the Agreement", if required shipment of Drug Product to each clinical trial site shall be at a cost of £1,026.66 per shipment.
9. Some pricing is per "the Agreement" Schedule 1, however a price increase of 5.6% across the board per Clause 4.14 of "the Agreement" is reflected in the prices provided in this service proposal. The new pricing structure is required since "the Agreement" was signed in October 2005.
10. Per updated cGMP guidelines, Advaxis and Cobra QA will need to agree and put into place a "Quality/Technical Agreement" prior to the initiation of cGMP production of Lovaxin C.
11. Individual Bulk Drug Substance (IBDS) and Final Drug Product (DP) specifications are detailed in Attachments 1 and 2.



12. If Advaxis develop a method for lyophilization of Final Drug Product it may be necessary to change the resuspension buffer. If so, Cobra will require the new buffer formulation at least 1 month prior to initiation of the cGMP production of Lovaxin C.
13. Cobra will require a decision on final packaging of bulk material for shipment to the lyophilization facility at least 1 month prior to initiation of the cGMP production of Lovaxin C.
14. Advaxis must select a facility for lyophilization and notify Cobra regarding shipment of bulk material to the lyophilization facility at least 2 months prior to initiation of the cGMP production of Lovaxin C in order to complete a facility audit.
15. Cell viability of cGMP bulk material post-production is the responsibility of Advaxis. Cobra has suggested a development program to address this issue prior to initiation of cGMP manufacture of Lovaxin C.
16. Cobra's prices are exclusive of any applicable VAT and/or other sales/transaction taxes for which Customer shall additionally be liable and as such Cobra reserves the right to charge Customer for any such VAT and/or other sales/transaction taxes.
17. Cobra QC will not test any material until a signed release specification has been agreed upon by both Cobra and Advaxis in a formal Quality/Technical Agreement executed in Stage 5.

**ATTACHMENT 1**

**DRAFT RELEASE SPECIFICATIONS FOR BULK DRUG SUBSTANCE**

<b>Test</b>	<b>Method</b>	<b>Specification</b>
Purity by Counter Selection	CBM 02	Confirm as single species culture
Confirmation of Antibiotic Drug Resistance (streptomycin/chloromphenicol)	CBM07	Resistant
Sensitivity to Ampicillin	TBC	TBC
Viable Count	CBM 08	Report Result
Confirmation of Species using	CBM 31	Profile 6510 confirmed
Haemolysis Test	CBM 32	Alpha Haemolysis Positive
Appearance of Solution	QCSOP001	Free flowing solution, with cream coloured suspension
Potentiometric Measurement of pH	QCSOP002	pH 6.0 ± 0.5
Isotonicity of Solution	QCSOP020	270 to 550milliOsmol/kg
Macrophage Infection Assay	QC SOP 100	Report Result
Western Blot for E7	QC SOP 101	Principal bands conform to reference
Western Blot for LLO	TBC	Principal bands conform to reference
Plasmid Copy & number	Subcontract	Report Result

**ATTACHMENT 2**

**DRAFT RELEASE SPECIFICATIONS FOR FINAL DRUG PRODUCT**

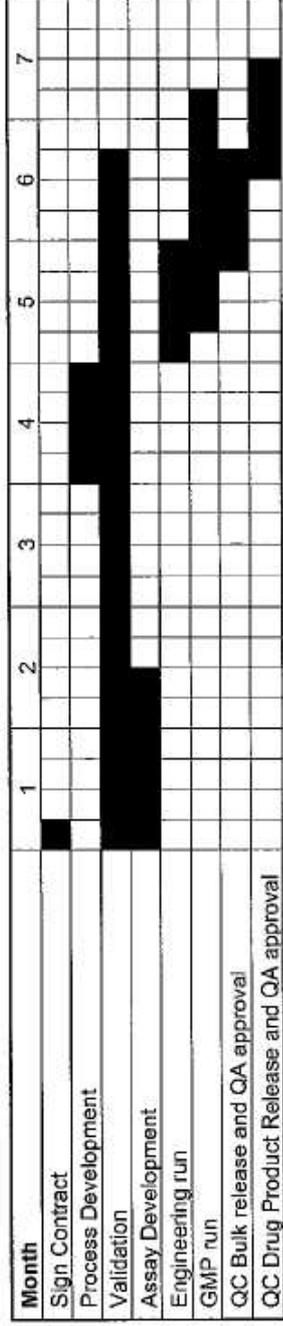
<b>Test</b>	<b>Method</b>	<b>Specification</b>
Purity	Subcontract	TBC
Viable Count	CBM 08	Report Result
Confirmation of Species using <i>Listeria</i>	CBM 31	Profile 6510 confirmed
Haemolysis Test	CBM 32	Alpha Haemolysis Positive
Appearance of Solution	QCSOP001	Free flowing solution, with cream coloured suspension
Potentiometric Measurement of pH	QCSOP002	pH 6.0 ± 0.5
Isotonicity of Solution	QCSOP020	270 to 550milliOsmol/kg
Macrophage Infection Assay	QC SOP 100	Report Result
Western Blot for E7	QC SOP 101	Principal bands conform to reference
Western Blot for LLO	TBC	Principal bands conform to reference

**ATTACHMENT 3**

**DRAFT RELEASE SPECIFICATIONS FOR FORMULATION BUFFER**

<b>Test</b>	<b>Method</b>	<b>Specification</b>
Appearance of Solution	QCSOP001	Clear, colourless, free from particulate matter
pH of solution	QCSOP002	Report Result
Isotonicity of solution	QCSOP020	Report Result
Endotoxin content	QCSOP018	Report Result
Sterility	Subcontract	Pass

**Estimated Project Schedule**



**Payment Table**

Stage	Milestone	Cobra Deliverable	Price
	Capacity Reservation	Cobra will reserve the necessary resources for the project	£96,075
Stage 1	Process Transfer	Reference Page 4	£5,400
Stage 2	Process Validation and Shipping Qualification	Reference Page(s) 5, 6, 7, and 8	£52,900
Stage 3	Assay Development	Reference Page 8	£21,100
Stage 4	WCB Production	Reference Page 9	£25,900
Stage 5	Engineering Run	Reference Page 10	£48,900
Stage 6	5L cGMP Manufacture	Reference Page 10	£84,500
Stage 7	QC Release and QA Approval of Bulk DS	Reference Page 11	£17,900
Stage 8	QC Release and QA Approval of Final DP	Reference Page 12	£17,900
<b>TOTAL</b>			<b>£ 274,500</b>

Unless otherwise indicated, the payment table above does not include costs for raw materials, consumables, process-specific equipment, or third party testing (if required).



#### **Confidentiality and Communication**

This proposal has been prepared by Cobra for Advaxis. This proposal contains information proprietary to Cobra and must not be copied or otherwise distributed other than for the purpose of review by Advaxis, in accordance with the terms of the existing CDA.

All customer related information, including this proposal, will be treated in strict confidence. To further protect customer confidentiality, each client is assigned a unique identifying code that is used to refer to the client and the client's product throughout Cobra's facility. All client information is treated in the same manner as controlled documents.

Any questions regarding this estimate should be directed to:

Jason Rahal  
Senior VP Business Development, North America  
Telephone: 773.478.5334  
Fax: 773.478.4221  
Mobile: 773.865.2411  
email: [Jason.rah@cohrabio.com](mailto:Jason.rah@cohrabio.com)



**Terms of Payment / Sign-off Sheet**

**Contract Number: O760**

General Terms shall be based upon the Strategic Collaboration and Long Term Vaccine Supply Agreement ("the Agreement") dated October 31, 2005

**Provision of Research and Development Technical Consultancy Services**

Upon signature of this Service Proposal, reference number O760, Cobra Biologics Ltd., a wholly-owned subsidiary of Cobra Biomanufacturing Plc, will issue an invoice for £96,075 as a Capacity Reservation Fee for Cobra's resources used for the Lovaxin C project and Advaxis shall pay to Cobra such Capacity Reservation Fee payable by return wire transfer (Net Immediate).

Receipt of the payment will reserve the resources to conduct this program. Payments are non-refundable.

The terms and conditions of the "the Agreement" apply to this Service Proposal. Upon signature of this Service Proposal, this document automatically becomes a Service Schedule under "the Agreement", will be referenced: O760 and shall form a separate and distinct Contract under the umbrella terms of "the Agreement".

On commencement of the Services, each stage will be invoiced in accordance with the payment table. Such payments will be due 30 days from the date of the invoice.

Raw materials, process-specific equipment, and third party testing will be invoiced to Advaxis upon receipt of invoices by Cobra. Such invoices will be payable by return wire transfer (Net Immediate).

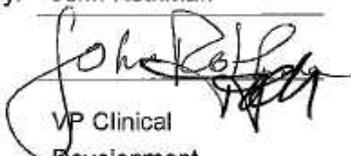
This proposal is valid until September 27, 2007.

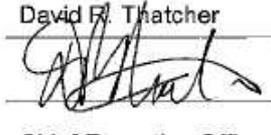
For: Advaxis, Inc.

For: Cobra Biologics Ltd

Accepted By: John Rothman

Accepted By: David R. Thatcher

Signature: 

Signature: 

Title: VP Clinical Development

Title: Chief Executive Officer

Date: \_\_\_\_\_

Date: 26<sup>th</sup> Sep 07

CONFIDENTIAL

20 September 2007



## **Company Overview**

Cobra Biomanufacturing Plc. is a dedicated contract manufacturing service provider who uses their technical expertise to develop innovative manufacturing solutions for the production of biopharmaceutical materials for use in clinical trials. Cobra provides contract services for pre-clinical to phase III scale production of biological products.

These services include cGMP manufacturing services for DNA, virus, recombinant protein, mammalian cell products as well as cell banking services.

Clinical trials are being conducted worldwide using material manufactured at Cobra, including trials in the USA, Europe, Africa, China and Australia.

Cobra holds a Manufacturing Authorisation License for investigational medicinal products (MIA (IMP)) and was most recently inspected by the Medicine and Healthcare products Regulatory Agency (MHRA) GMP Inspectorate in July 2007 and found to be cGMP compliant.

Cobra's corporate objective is to continue to grow as a major contract supplier of virus, protein-based therapeutics and DNA for clinical trials and commercial sale.

## **Facilities**

Cobra has two cGMP manufacturing plants in the UK - one in Keele and one in Oxford.

### **Keele**

Cobra has over 11,000 square feet of space used for a process development facility, separate QA/QC laboratories, and dedicated cGMP manufacturing facilities. The existing cGMP manufacturing facility includes 4,500 square feet of EU Grade C clean room space required for key stages in the manufacture of biopharmaceutical products.

The cGMP facility has two microbial production suites. A 75 L fermenter suite (50 L working volume) is available for the production of Phase I and II clinical trial material. A 20 L fermenter (15 L working volume) can be used as a stand-alone vessel or used to provide an inoculum for the larger 270L fermenter (200L working volume).

Additionally, there are two virus production suites with up to 200 roller bottle or 50 cell factories (10-stack) and a 20 L fermenter (17 L working volume), which can be operated in perfusion mode.

### **Oxford**

In May 2003, Cobra acquired a second facility in Oxford, which effectively doubled Cobra's capacity for the manufacture of phase I and II therapeutics. The Oxford site has

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20 September 2007



16,000 square feet of space for process development and cGMP manufacturing facilities.

The cell culture cGMP production suite is equipped with a 30L w/v and a 100L w/v bioreactor, a segregated purification area and a Grade B filling suite for small-scale aseptic filling activities.

A second cell culture production suite with a 40L cell culture bioreactor has been commissioned and validated more recently. This includes separate cell culture rooms for cell expansion or cell banking (Grade C area) and bioreactor production rooms. Segregated purification labs and wash-up/sterilization areas ensure suitable personnel/product and waste flow within the GMP suite.

In addition, the Oxford facility offers cGMP manufacture of microbial products in two available 140L fermenter suites, each in segregated clean rooms with separate purification areas. IQ, OQ, and PQ are complete.

### **Quality Control**

Cobra's QC department is involved from the initial technology transfer through raw material identity testing, in-process and final release testing of cGMP material. The QC department is also responsible for on-going stability studies.

Testing covers safety, identity, and purity. Full characterization of a reference standard will be required. Cobra recommends that Advaxis confirm this strategy with their regulatory expert.

### **Quality Assurance**

Cobra conducts its manufacturing activities in accordance with appropriate current Good Manufacturing Practice (cGMP) and Good Control Laboratory Practice (GCLP) regulations and/or guidelines.

The latest inspection from the UK MHRA was in July 2007. Cobra's QA group ensures that the products manufactured by Cobra meet appropriate standards of safety, quality, and efficacy.

The QA group oversees manufacture at all stages and is responsible for the testing, release, storage and arrangement of shipping of the drug product to customers.

### **Project Management & Communication**

A Project Manager will be assigned from Cobra to manage Advaxis' program.

The Project Manager's responsibilities include the following:

- Principal contact for client interactions
- Establish operating guidelines



- Define communication formats
- Coordinate project update meetings with customer
- Monitor and report on project progress to client
- Develop the project schedule

The Project Manager will be supported by the project team which typically consists of representatives from Business Development, Process Development, Production, QC, and QA from both companies. Others may be brought in as required.

### **Regulatory Support**

Cobra can assist the customer in all CMC-related regulatory filings (US, Europe, ROW). Cobra can assist in the regulatory approval of Lovaxin C by supporting any regulatory agency filings, inquiries, or inspections of Cobra's facility & operations that are required as part of the approval process as well as support for post-approval CMC changes and all required CMC-related post-marketing submissions.

In addition, Cobra can provide a facility description to support the Lovaxin C regulatory filing.

Regulatory services are available on a £1,500/day basis plus reasonable travel expenses. Cobra's services would be agreed to in writing by both parties prior to the initiation of such services.

### **Facility Audits**

Advaxis shall have the right to perform, directly or through its representatives, manufacturing audits of Cobra. All Cobra personnel time and resources necessary to complete the first manufacturing audit for a given year shall be provided at no cost to Advaxis; provided that any Cobra personnel time and resources necessary to complete any additional manufacturing audits in that same year shall be invoiced to Advaxis as additional services. Advaxis shall be responsible for third party costs of all manufacturing audits.

### **Key Personnel**

Key personnel involved in this project will include the following:

#### **Lorraine Borland BSc., Deputy Director, Head of Manufacturing, Keele**

Lorraine is Deputy Director of GMP Manufacturing at Cobra's Keele site. She has over 16 years experience in the biotechnology industry, 12 years of which were in contract manufacturing of mammalian, bacterial and viral products for phase I / II clinical trials.



Initial experience in the industry was based in the setting up of the GLP quality systems to support the Q-One Biotech Ltd testing business. From there experience was gained in viral clearance procedures and mainly virology based assays.

In the contract manufacturing field (Q-One Biotech Ltd / BioReliance / Invitrogen), she was responsible for technology transfer and manufacture of investigative products for the gene therapy and clinical trials market. Cell line experience includes production of cell banks and expansion processes for viral manufacture programs. Cell line experience includes CHO, BHK-21c13, Vero, and 293 HEK, PER.C6 & MDCK as well as primary cell lines both in suspension and adherent systems. She also has experience in serum-free adaptation.

She has over 13 years MHRA and client audit experience having been involved in and then as production lead in voluntary & CT directive lead inspections.

**Paul Stockbridge BSc., PhD., CBiol., MIBiol., FIQA, Corporate Director of Quality Assurance**

Paul has over 25 years experience in the pharmaceutical / biotechnology industry. He spent 23 years with Eli Lilly in the UK, the first 10 years of which were in fermentation development and production before transferring to the Quality Assurance department. During the following 13 years he gained extensive experience in Quality Assurance with responsibility for projects, quality systems, engineering, clinical trials API manufacture and recombinant biotechnology products. He acted as a Senior Quality Advisor for Lilly and travelled frequently to the USA and globally in connection with these activities.

In 2002 he moved to Aventis Pharma where he was the Head of Quality Operations at their Holmes Chapel (UK) site. Paul joined Cobra in October 2005 as Director of Quality Assurance.

Paul holds a degree in Biological Sciences and a PhD. in fermentation. He is registered as a Qualified Person under the Permanent Provisions of the EU directives and is highly experienced in interacting with regulatory agencies including the FDA and the MHRA.

**Tony Hitchcock BSc, Deputy Director– Head of Process Science**

Tony has over 19 years of experience in the large-scale manufacture of biopharmaceuticals. Tony has held positions in the Blood Products Laboratory (Elstree) and at Zeneca Pharmaceuticals in the protein process development department. Tony was a founding staff member of Cobra and has been responsible for the development of much of Cobra's DNA manufacturing technology. Tony has published several papers in the field and is an inventor on two families of Cobra's process patents. He also has extensive experience in chromatographic purification.

**Liz Kennings MSc, CBiol., MIBiol, Section Head of Quality Control**



Liz has worked at Cobra for seven years. She joined the company after completing her MSc in Clinical Neuroscience, which involved collaboration with Hammersmith Hospital on an Alzheimer's disease project. Previously she had a placement at Sandoz AG, Switzerland working in the CNS department on animal models for schizophrenia. Since joining Cobra, Liz has been involved in assay development, tech transfer, assay validation and was team leader responsible for all DNA and protein contracts from initial customer contact to coordinating GMP testing and documentation.

### **Company History**

Cobra was founded as a biotechnology company specializing in gene therapy in 1992. The manufacturing division was originally established to expedite Cobra Therapeutics' research and development programs. However, investments were made in Cobra's cGMP manufacturing facilities and the development of technology for the scaleable manufacture of DNA and protein-based pharmaceuticals.

In 1998, the manufacturing division began to offer cGMP manufacturing services to the pharmaceutical industry. Cobra Therapeutics became a wholly owned subsidiary of ML Laboratories in 2000.

In June 2002, following a successful IPO on London's AIM, Cobra Biomanufacturing was established as an independent company with an exclusive focus on custom manufacturing of biotherapeutics.

## ADVAXIS, INC.

## CONSULTING AGREEMENT

CONSULTING AGREEMENT, dated as of May 1, 2007 between Advaxis Inc., with offices at 675 U.S. Highway One, North Brunswick, New Jersey 08902 (the "Company"), and Bridge Ventures, Inc., with offices at 1241 Gulf of Mexico Drive, Longboat Key, Florida 34228 ("Consultant").

WHEREAS the Company desires to secure the availability of the services on a consulting basis of an advisor with the business knowledge and sophistication possessed by Consultant, and Consultant desires to provide such services.

## NOW THEREFORE IT IS HEREBY AGREED THAT:

1. Consultant agrees to provide its consulting services to the Company on a nonexclusive basis for a period of one (1) year from the date hereof, unless extended in writing by the parties hereto. Consultant's services will include advice with respect to overall strategic planning, business opportunities, and such other related services as may be mutually agreed upon by Consultant and the Company.
2. In consideration of Consultant's agreement to provide services pursuant to this Agreement, Consultant shall be entitled to receive and the Company agrees to (a) pay Consultant \$60,000 on November 30, 2007, and \$5,000 to be paid monthly for 6 months thereafter; and (b) issue to Consultant 800,000 five-year warrants exercisable at \$0.20.
3. The Company will reimburse Consultant for reasonable and necessary expenses incurred by Consultant in performing the services hereunder, at cost and without any markup or profit to Consultant. In all events, the Company will not reimburse any general, administrative or overhead costs of Consultant. Consultant agrees, as a condition to receiving any such reimbursement, to provide an itemized detail of Consultant's expenses incurred as a result of any such request.
4. Except as provided in this Section 4, during the term of this Agreement and for a period of two (2) years after termination of this Agreement, Consultant will not disclose any Confidential Information of the Company to any person, firm, corporation or other entity for any reason or purpose whatsoever (other than in the normal course of business on a need-to-know basis after the Company has received assurances that the Confidential Information will be kept confidential by the recipient thereof), nor will Consultant make use of any such Confidential Information for its own purposes or for the benefit of any person, firm, corporation or other entity except the Company. "Confidential Information" means all information which is or becomes known to Consultant, including all such information which became known to Consultant during the period prior to the date of the Agreement, and relates to such matters as intellectual property, research and development activities, new or prospective products or services, books and records, financial data, customer lists, marketing techniques, suppliers, purchases, potential business combinations, distribution channels, services, procedures, pricing information and private processes as they may exist from time to time; provided that the term "Confidential Information" will not include information that is or

becomes generally available to the public (other than as a result of a disclosure in violation of this Agreement by Consultant or by a person who received such information from Consultant in violation of this Agreement).

5. Miscellaneous Provisions.

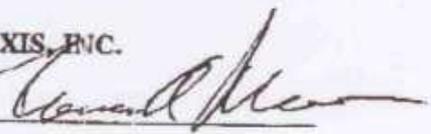
(a) Upon termination of this Agreement, Consultant will immediately (i) return or destroy (and provide evidence of such destruction), as the Company may direct, all documentation in any medium that contains, refers to, or relates to the Confidential Information (as defined in Section 4), and will retain no copies thereof.

(a) This Agreement shall governed by the laws of the State of New York. It is the desire and intent of the parties hereto that the provisions of this Agreement will be enforced to the fullest extent permissible under the laws and public policies applied in each jurisdiction in which enforcement is sought. Accordingly, although the Company and Consultant consider the restrictions contained in this Agreement to be reasonable for the purpose of preserving the Company's goodwill and proprietary rights, if any particular provision of this Agreement is adjudicated to be invalid or unenforceable, such provision will be deemed amended to delete therefrom the portion thus adjudicated to be invalid or unenforceable, such deletion to apply only with respect to the operation of such provision in the particular jurisdiction in which such adjudication is made.

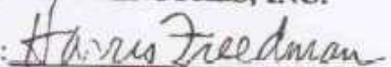
(c) The relationship of Consultant to the Company shall be that of an independent contractor. Nothing herein shall be construed to constitute the parties as partners or joint venturers, or as employees or agents of the other. Except as expressly set forth herein, neither party has any express or implied right or authority to assume or create any obligations on behalf or in the name of the other. Personnel and subcontractors supplied by Consultant are not the Company's personnel or agents, and Consultant assumes full responsibility for their acts.

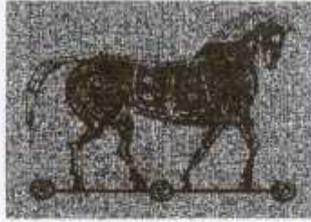
IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first written above.

ADVAXIS, INC.

By: 

BRIDGE VENTURES, INC.

By:   
Harris Freedman



ADVAXIS

Dr. David Fieler  
641 Lexington Av  
New York, NY 10022

Dear David,

This confirms our understanding concerning your relationship with Advaxis, Inc. This agreement supercedes all past agreements between Advaxis and yourself.

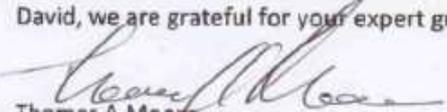
Advaxis wishes to compensate you for your very effective efforts on our behalf in advising on our October, 2007, raise and to secure your services going forward. We expect you to continue to advise us on how to better tell the Advaxis scientific story, introduce us to potential investors, and suggest possible collaborations and M&A possibilities.

As compensation for your efforts, Advaxis will compensate you as follows:

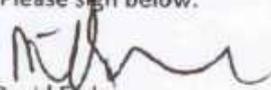
\$5,000 per month beginning October 1, 2007  
1,500,000 five year cash warrants priced at \$.20 per share. To be effective until October 17, 2012 and awarded in their entirety at the outset of this contract.

This agreement begins October 1, 2007 and is intended to run until September 30, 2009. It is cancellable by either party with 90 days written notice. The warrants are awarded in their entirety with the signing of this contract. Only the monthly payments can be affected by any cancellation.

David, we are grateful for your expert guidance. Please sign below.

  
Thomas A Moore

Chairman and CEO, Advaxis, Inc.

  
Dr. David Fieler

# Delaware

PAGE 1

*The First State*

I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE RESTATED CERTIFICATE OF "ADVAXIS, INC.", FILED IN THIS OFFICE ON THE TWENTIETH DAY OF JUNE, A.D. 2006, AT 10:13 O'CLOCK P.M.

A FILED COPY OF THIS CERTIFICATE HAS BEEN FORWARDED TO THE KENT COUNTY RECORDER OF DEEDS.

3497292 8100

060594711



*Harriet Smith Windsor*

Harriet Smith Windsor, Secretary of State

AUTHENTICATION: 4847272

DATE: 06-22-06

AMENDED AND RESTATED CERTIFICATE OF INCORPORATION  
OF  
ADVAXIS, INC.

GENERAL CORPORATION LAW OF THE STATE OF DELAWARE

Advaxis, Inc. (the "Corporation"), a corporation duly organized and existing under the General Corporation Law of the State of Delaware (the "GCL"), does hereby certify that:

1. The name of the Corporation is Advaxis, Inc.
2. The Corporation was originally incorporated and the original Certificate of Incorporation of the Corporation was filed with the Secretary of State of the State of Delaware on February 28, 2002 under the name Advaxis, Inc.
3. This Amended and Restated Certificate of Incorporation was duly adopted by the Board of Directors of the Corporation (the "Board") and the Corporation's sole stockholder in accordance with the provisions of Sections 242 and 245 of the General Corporation Law of the State of Delaware. This Amended and Restated Certificate of Incorporation amends and restates in its entirety the Corporation's Certificate of Incorporation, as amended or supplemented prior to the date hereof.
4. The Corporation's Certificate of Incorporation is hereby amended and restated in its entirety to read as follows:

FIRST: The name of the corporation is Advaxis, Inc. (the "Corporation").

SECOND: The address of the registered office of the Corporation is located at 160 Greentree Drive, Suite 101, Dover, Delaware 19904 in the county of Kent. The name of its registered agent at that address is National Registered Agents, Inc.

THIRD: The purposes for which the Corporation is formed are to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of the State of Delaware.

FOURTH: The total number of shares which the Corporation shall have the authority to issue is Five Hundred Five Million (505,000,000) shares of which Five Hundred Million (500,000,000) shares shall be designated "Common Stock" and have a par value of \$0.001 per share, and Five Million (5,000,000) shares shall be "blank check" preferred stock and have a par value of \$0.001.

FIFTH: The Corporation is to have perpetual existence.

**SIXTH:** In furtherance and not in limitation of the powers conferred by statute and except as otherwise provided herein, the Board of Directors is expressly authorized to make, alter, amend or repeal the bylaws of the Corporation.

**SEVENTH:** The number of directors which constitute the whole Board of Directors of the Corporation shall be as specified in the bylaws of the Corporation.

**EIGHTH:** Meetings of stockholders may be held within or without the State of Delaware, as the bylaws of the Corporation may provide. The books of the Corporation may be kept outside the State of Delaware at such place or places as may be designated from time to time by the Board of Directors or in the bylaws of the Corporation.

**NINTH:**

A. The Corporation shall indemnify each of the Corporation's directors and officers in each and every situation where, under Section 145 of the General Corporation Law of the State of Delaware, as amended from time to time ("*Section 145*"), the Corporation is permitted or empowered to make such indemnification, and to the fullest extent permitted by law. The Corporation may, in the sole discretion of the Board of Directors of the Corporation, indemnify any other person who may be indemnified pursuant to Section 145 to the extent the Board of Directors deems advisable, as permitted by Section 145.

B. No person shall be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, provided, however, that the foregoing shall not eliminate or limit the liability of a director (i) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the General Corporation Law of the State of Delaware or (iv) for any transaction from which the director derived an improper personal benefit. If the General Corporation Law of the State of Delaware is subsequently amended to further eliminate or limit the liability of a director, then a director of the Corporation, in addition to the circumstances in which a director is not personally liable as set forth in the preceding sentence, shall not be liable to the fullest extent permitted by the amended General Corporation Law of the State of Delaware. For purposes of this Article, "fiduciary duty as a director" shall include any fiduciary duty arising out of serving at the Corporation's request as a director of another corporation, partnership, joint venture, trust or other enterprise, and "personal liability to the Corporation or its stockholders" shall include any liability to such other corporation, partnership, joint venture, trust or other enterprise, and any liability to the Corporation in its capacity as a security holder, joint venturer, partner, beneficiary, creditor or investor of or in any such other corporation, partnership, joint venture, trust or other enterprise. Neither any amendment nor repeal of this Article NINTH (B), nor the adoption of any provision of this Certificate of Incorporation inconsistent with this Article NINTH (B), shall eliminate or reduce the effect of this Article NINTH (B) in respect of any matter occurring, or any cause of action, suit or claim that, but for this Article NINTH (B), would accrue or arise, prior to such amendment, repeal or adoption of an inconsistent provision.

TENTH: The directors of the Corporation need not be elected by written ballot unless the by-laws of the Corporation so provide.

ELEVENTH: The Corporation has opted out of Section 203 of the General Corporation Law of the State of Delaware.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, this Amended and Restated Certificate of Incorporation has been executed as of this 29th day of March, 2006.

**ADVAXIS, INC.**

By: /s/ Roni Appel  
Name: Roni Appel  
Title: President

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER  
PURSUANT TO 18.U.S.C. 7350  
(SECTION 302 OF THE SARBANES OXLEY ACT OF 2002)**

I, Thomas Moore, certify that:

1. I have reviewed this report on Form 10-KSB for the year ended October 31, 2007 of Advaxis, Inc.; (the “small business issuer”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the small business issuer as of, and for, the periods presented in this report;
4. The small business issuer’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e) for the small business issuer and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the small business issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Evaluated the effectiveness of the small business issuer’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (c) Disclosed in this report any change in the small business issuer’s internal control over financial reporting that occurred during the small business issuer’s most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the small business issuer’s internal control over financial reporting; and
5. The small business issuer’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the small business issuer’s auditors and the audit committee of the small business issuer’s board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the small business issuer’s ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the small business issuer’s internal control over financial reporting.

January 15, 2008

/s/ Thomas Moore

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Name: Thomas Moore

Title: Chief Executive Officer

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I, Fredrick Cobb, certify that:

1. I have reviewed this report on Form 10-KSB for the year ended October 31, 2007 of Advaxis, Inc.; (the “small business issuer”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the small business issuer as of, and for, the periods presented in this report;
4. The small business issuer’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e) for the small business issuer and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the small business issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Evaluated the effectiveness of the small business issuer’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (c) Disclosed in this report any change in the small business issuer’s internal control over financial reporting that occurred during the small business issuer’s most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the small business issuer’s internal control over financial reporting; and
5. The small business issuer’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the small business issuer’s auditors and the audit committee of the small business issuer’s board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the small business issuer’s ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the small business issuer’s internal control over financial reporting.

January 15, 2008

/s / Fredrick Cobb

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Name: Fredrick Cobb

Title: Vice President Finance, Principal Financial Officer

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**CERTIFICATION-PURSUANT TO SECTION 906 OF THE SARBANES OXLEY ACT OF 2002**

The undersigned as Chief Executive Officer of Advaxis, Inc. (the "Company"), does hereby certify that the foregoing Annual Report on Form 10-KSB of the Company for the year ended October 31, 2007 (the "Report"):

- (1) Fully complies with the requirements of section 13 or 15 (d) of the Securities Exchange Act of 1934; and
- (2) Fairly presents, in all material respects, the financial condition and result of operations of the Company.

January 15, 2008

/s/ Thomas Moore

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Thomas Moore  
Chief Executive Officer

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

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**CERTIFICATION-PURSUANT TO SECTION 906 OF THE SARBANES OXLEY ACT OF 2002**

The undersigned as the Vice President Finance, Principal Financial Officer of Advaxis, Inc. (the "Company"), does hereby certify that the foregoing Annual Report on Form 10-KSB of the Company for the year ended October 31, 2007 (the "Report"):

- (1) Fully complies with the requirements of section 13 or 15 (d) of the Securities Exchange Act of 1934; and
- (2) Fairly presents, in all material respects, the financial condition and result of operations of the Company.

January 15, 2008

/s/ Fredrick Cobb

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Fredrick Cobb

Vice President Finance, Principal Financial Officer

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

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