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FOR RELEASE

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**COMBIMATRIX AWARDED \$5.9 MILLION DEPARTMENT OF DEFENSE  
CONTRACT FOR DEVELOPMENT OF BIOWARFARE DETECTION  
TECHNOLOGY**

Newport Beach, Calif. – (BUSINESS WIRE) – March 8, 2004 – Acacia Research Corporation (Nasdaq: CBMX:ACTG) announced today that its CombiMatrix Group has received a two-year contract from the Department of Defense (DOD) that will provide \$5.9 million to further the development of its microarray technology for the detection of biological threat agents.

Under previously funded programs with the Department of Defense, CombiMatrix demonstrated that its microarray could be multiplexed for the simultaneous detection of toxins, viruses, and bacteria using immunoassay and genomic analysis. Unique to this platform is “on chip” electrochemical detection, which eliminates the need for a complex and expensive optical system.

“We are pleased with the granting of this contract. The funding will enable us to advance our technology into a new commercial area for CombiMatrix,” stated Dr. Amit Kumar, President and CEO of CombiMatrix Corporation. “We hope this is the beginning of a long-term relationship with the DOD.”

The focus of the new contract will be the integration of CombiMatrix’s biotechnology with microelectronics and microfluidics and the development of an automated system with maximum flexibility and sensitivity for biothreat agents with reduced size and cost. Under an existing Cooperative Research and Development Agreement (CRDA) with the U.S. Army Medical Research Institute of Infectious Diseases (USAMRIID), CombiMatrix will seek to integrate its system against a broad range of requirements from portable hand held devices to larger industrial units. CombiMatrix’s integrated detection system will target potential threats such as *Bacillus anthracis* (Anthrax), *Yersina pestis* (plague), toxins, and other agents that could be used as bioweapons by terrorists and other enemies.

“Our goal is to develop a versatile detector system around assays that are recognized as the gold standards for agent identification,” said Dr. David Danley,

Director of Homeland Security and Defense Programs for CombiMatrix. “This program will demonstrate the power of our technology for identifying the presence of biothreat agents, infectious diseases and other environmental hazards.”

## **ABOUT ACACIA RESEARCH CORPORATION**

Acacia Research Corporation comprises two operating groups, Acacia Technologies Group and CombiMatrix Group.

The CombiMatrix group is developing a platform technology to rapidly produce customizable active biochips, which are semiconductor-based tools for use in identifying and determining the roles of genes, gene mutations and proteins. CombiMatrix’s technology has a wide range of applications including DNA synthesis/diagnostics, siRNA synthesis, drug discovery, and immunochemical detection. CombiMatrix provides DNA arrays to researchers under the CustomArray™ brand.

CombiMatrix’s Express Track<sup>sm</sup> drug discovery program is a systems biology approach, using its technology, to target common viral diseases with siRNA compounds. The initial focus of Express Track<sup>sm</sup> includes the following viral diseases:

<u>Virus</u>	<u>Collaborator</u>
SARS	NIAID/USAMRIID
HIV type 1	irsiCaixa-Dr. Bonaventura Clotet
HIV type 2	To Be Announced
West Nile virus	To Be Announced
Human Papillomavirus type 16	To Be Announced
Human Herpes 8 (Kaposi's sarcoma)	To Be Announced
Smallpox (Variola)	To Be Announced
Influenza virus A	To Be Announced
Influenza virus B	To Be Announced
Hepatitis C	To Be Announced

CombiMatrix is also establishing applications of its arrays through other partnerships as follows:

<u>Project</u>	<u>Collaborator</u>
Cancer Diagnosis (Lymphoma)	University of Washington/Rational Diagnostics
RNA Drug Targets	Professor Gregory L. Verdine, Harvard University

<u>Parasite</u>	
Leishmania	Seattle Biomedical Research Institute
Trypanosoma	Seattle Biomedical Research Institute

The Acacia Technologies Group develops, acquires, and licenses patented technologies. Acacia’s DMT technology, which is supported by 5 U.S. and 31 foreign patents, relates to audio and audio/video transmission and receiving systems commonly known as audio-on-demand, video-on-demand, and audio/video streaming, and is used for distributing digital content via several means including Internet, cable, satellite and wireless systems.

Acacia Research-Acacia Technologies (Nasdaq: ACTG) and Acacia Research-CombiMatrix

(Nasdaq: CBMX) are both classes of common stock issued by Acacia Research Corporation and are intended to reflect the performance of the respective operating groups and are not issued by the operating groups.

Information about the Acacia Technologies Group and the CombiMatrix Group is available at [www.acaciaresearch.com](http://www.acaciaresearch.com).

**Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995:**

*This news release contains forward-looking statements within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. These statements are based upon our current expectations and speak only as of the date hereof. Our actual results may differ materially and adversely from those expressed in any forward-looking statements as a result of various factors and uncertainties, including the recent economic slowdown affecting technology companies, our ability to successfully develop products, rapid technological change in our markets, changes in demand for our future products, legislative, regulatory and competitive developments and general economic conditions. Our Annual Report on Form 10-K, recent and forthcoming Quarterly Reports on Form 10-Q, recent Current Reports on Forms 8-K and 8-K/A, and other SEC filings discuss some of the important risk factors that may affect our business, results of operations and financial condition. We undertake no obligation to revise or update publicly any forward-looking statements for any reason.*