Lexicon Genetics And Abgenix Enter Drug Target Validation Collaboration

– Second Agreement to Advance Abgenix's Drug Discovery Efforts –

The Woodlands, TX and Fremont, CA, January 3, 2001 – Lexicon Genetics Incorporated (Nasdaq: LEXG) and Abgenix, Inc. (Nasdaq: ABGX) announced today a multi-year knockout drug target validation collaboration. Lexicon will use its patented technologies and extensive medically relevant mammalian assays to validate potential drug targets for Abgenix's discovery and development of therapeutic human antibodies. This agreement marks the second collaboration between Abgenix and Lexicon. No financial terms were disclosed.

"We are pleased that Abgenix, a leader in the field of therapeutic monoclonal antibodies, recognizes the importance of Lexicon's knockout validated drug targets for their internal drug discovery efforts," said Arthur T. Sands, M.D., Ph.D., President and Chief Executive Officer of Lexicon. "This collaboration offers the potential to discover and, ultimately, to develop novel antibody therapies directed at targets that have undergone a superior level of validation."

"Lexicon's *in vivo* validation of relevant drug targets gives us the ability to more efficiently and effectively identify and generate high affinity, therapeutic antibody products," said R. Scott Greer, Chairman and CEO of Abgenix. "In the race for drug discovery, we believe Lexicon's patented technology will give us an advantage by directing our efforts to the most promising drug targets."

Through this collaboration, Abgenix also gains access to Lexicon's OmniBank library of over 100,000 knockout mouse clones, with each clone capable of rapidly generating a knockout mouse. Under the terms of the agreement, Lexicon will receive research project fees for each knockout mouse developed by Lexicon for Abgenix and license fees for each novel gene chosen from OmniBank. Lexicon may also receive milestone and royalty payments on each antibody product developed from a novel gene discovered in OmniBank as well as certain mouse models developed by Lexicon in which Abgenix exercises an exclusive license for the use of such mouse model. Lexicon retains exclusive rights for all therapeutic categories outside of the antibody field using targets from this collaboration.

In July 2000, Lexicon and Abgenix announced a drug discovery alliance to discover novel antibody drugs using Lexicon's functional genomics technologies and Abgenix' technology for generating fully human antibodies. In the July 2000 alliance, which is continuing to progress, Lexicon and Abgenix sequentially choose validated, fully humanized antibodies from the alliance for their individual drug discovery efforts.

Lexicon Genetics Incorporated is a leader in defining the functions of genes for drug discovery using large-scale knockout mouse technology. Complementary to its gene-specific custom knockout technology, Lexicon has invented high-throughput genome-wide gene trapping technology to discover thousands of genes and expand its OmniBank® library of tens of thousands of knockout mouse clones. The Company uses an integrated platform of functional genomics technologies to accelerate large-scale analysis of mammalian gene function for drug discovery. Lexicon's Internet exchange, www.lexgen.com enables researchers worldwide to access the OmniBank library and form collaborations with Lexicon to discover pharmaceutical products based on genes and knowledge of their functions. Lexicon has established drug discovery collaborations with Abgenix, Inc. and Arena Pharmaceuticals, Inc., a LexVision™ collaboration with Bristol-Myers Squibb Company, and functional genomics and OmniBank alliances with many pharmaceutical and biotechnology companies, including American Home Products, Boehringer Ingelheim Pharmaceuticals, DuPont Pharmaceuticals Company, Millennium Pharmaceuticals, Inc., N.V. Organon, Pharmacia Corp., The R.W. Johnson Pharmaceutical Research Institute of Johnson & Johnson and Tularik, Inc., as well as leading academic institutions worldwide. Additional Company information is available at www.lexicon-genetics.com.

Abgenix is a biopharmaceutical company focused on the development and commercialization of antibody therapies for a variety of diseases. The company developed XenoMouse™ technology to enable the rapid generation of high affinity, fully human antibody product candidates to essentially any disease target appropriate for antibody therapy. Abgenix uses its XenoMouse technology to build a large and diversified product portfolio through the establishment of licensing arrangements with multiple pharmaceutical, biotechnology and genomics companies and through the development of its own internal proprietary products. For more information on Abgenix, visits the company's website at www.abgenix.com.

Statements in this release that are not historical facts or information are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements are based on

management's current assumptions and expectations. Such forward-looking statements involve risks, uncertainties and other important factors that may cause the actual results of the Company to be materially different from any future results expressed or implied by such forward-looking statements, and there can be no assurance that actual results will not differ materially from management's expectations. Information identifying such important factors is contained under "Risk Factors" in the Company's initial public offering prospectus dated April 7, 2000 and under "Factors Affecting Forward-Looking Statements" in the Company's Quarterly Reports on Form 10-Q, in each case as filed with the Securities and Exchange Commission. The Company undertakes no obligation to update any such forward-looking statements.

Statements made in this press release about Abgenix's XenoMouse technology, product development activities and collaborative arrangements other than statements of historical fact, are forward looking statements and are subject to a number of uncertainties that could cause actual results to differ materially from the statements made, including risks associated with the success of clinical trials, the progress of research and product development programs, the regulatory approval process, competitive products, future capital requirements and the extent and breadth of Abgenix's patent portfolio. Please see Abgenix's public filings with the Securities and Exchange Commission for information about risks that may affect Abgenix.

###