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Press release 26 January 2011

Active Biotech announces launch of private placement of new shares

Active Biotech today announces the launch of a private placement of new shares.

Active Biotech has retained Jefferies International Limited and Carnegie Investment Bank (collectively, the "Bookrunners") as bookrunners in a private placement of new shares (the "New Shares") directed towards international institutional investors and qualified investors in Sweden (the "Private Placement").

The price of the New Shares will be determined through an accelerated book-building procedure, and the New Shares will be admitted to trading on NASDAQ OMX Stockholm following their issuance and registration. The placing will start at 6:00 p.m. CET on 26 January 2011. The minimum order in the Private Placement has been set to the number of shares that equals an aggregate purchase price of at least the equivalent of EUR 50,000. Pricing and allocation of the Private Placement is expected to take place before beginning of trading on NASDAQ OMX Stockholm at 9:00 a.m. CET on 27 January 2011. The total amount of New Shares to be offered in the Private Placement will be determined in the book-building process.

The proceeds from the Private Placement are intended to be used to strengthen Active Biotech's R&D activities through enabling the Company to fund development of its late stage prostate cancer treatment candidate, TASQ, with potential partners, advancing existing projects further towards commercialization, bringing additional discovery projects into the clinic and for general corporate purposes.

The Private Placement is subject to inter alia resolution by the Board of Directors of Active Biotech, pursuant to the authorization given by the 2010 annual general meeting, to issue New Shares following close of the Private Placement book-building procedure.

For further information, please contact:

Tomas Leanderson, President & CEO

Tel: +46 (0)46 19 20 95

E-mail: tomas.leanderson@activebiotech.com

Active Biotech AB
PO Box 724, SE-220 07 Lund
Sweden
Tel: +46 (0)46-19 20 00
Fax: +46 (0)46-19 11 00

Active Biotech is required under the Securities Markets Act to make the information in this press release public. The information was submitted for publication at 6 p.m. CET on 26 January 2011.

Active Biotech AB (publ) (NASDAQ OMX NORDIC: ACTI) is a biotechnology company with focus on autoimmune/inflammatory diseases and cancer. Projects in or entering pivotal phase are laquinimod, an orally administered small molecule with unique immunomodulatory properties for the treatment of multiple sclerosis, TASQ for prostate cancer as well as ANYARA for use in cancer targeted therapy, primarily of renal cell cancer. In addition, laquinimod is in Phase II development for Crohn's and Lupus. Further projects in clinical development comprise the two orally administered compounds, 57-57 for SLE & Systemic Sclerosis and RhuDex(TM) for RA. Please visit www.activebiotech.com for more information.

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Active Biotech

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This press release is not a prospectus for the purposes of Directive 2003/71/EC (such Directive, together with any applicable implementing measures under such Directive in the relevant home Member State, the “Prospectus Directive”). Active Biotech has not authorized any offer to the public of shares or rights in any Member State of the European Economic Area and no prospectus or other offering document has been or will be prepared in connection with the Private Placement. With respect to each Member State of the European Economic Area and which has implemented the Prospectus Directive (each, a “Relevant Member State”), no action has been undertaken to date to make an offer to the public of shares or rights requiring a publication of a prospectus in any Relevant Member State. In any Relevant Member State this communication is only addressed to and is only directed at qualified investors in that Member State within the meaning of the Prospectus Directive.

This press release is only being distributed to and is only directed at (i) persons who are outside the United Kingdom or (ii) to investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion Order 2005) (the “Order”) or (iii) high net worth companies, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons in (i), (ii) and (iii) above together being referred to as “relevant persons”). The securities are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such securities will be engaged in only with relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

The Bookrunners are acting exclusively for Active Biotech and no one else in connection with the Private Placement. The Bookrunners will not regard any other person (whether or not a recipient of this press release) as their client in relation to the Private Placement and will not be responsible to anyone other than Active Biotech for providing the protections afforded to their clients nor for giving advice in relation to the Private Placement or any transaction or arrangement referred to herein. No representation or warranty, express or implied, is made by the Bookrunners as to the accuracy, completeness or verification of the information set forth in this press release, and nothing contained in this press release is, or shall be relied upon as, a promise or representation in this respect, whether as to the past or the future. The Bookrunners assume no responsibility for its accuracy, completeness or verification and, accordingly, disclaim, to the fullest extent permitted by applicable law, any and all liability which they might otherwise be found to have in respect of this press release or any such statement.

The Private Placement will be subject to conditions and termination events, including those which are customary for such offerings. The Bookrunners reserve the right to exercise or refrain from exercising their rights in relation to the fulfillment or otherwise of any such conditions or the occurrence of any termination event in such manner as they may determine in their absolute discretion. Any investors in the Private Placement will be deemed to acknowledge that any offering of new shares hence may not be completed and that neither the company nor the Bookrunners in such event shall have any liability to the investors. Any investors in the Private Placement will further be deemed to acknowledge (i) the information in this press release, (ii) that the investors are not relying (for purposes of making any investment decision or otherwise) upon any advice, counsel or representations (whether written or oral) of the company, the Bookrunners or any of their respective affiliates or any non-public information, and (iii) that they have consulted with their own legal, regulatory, tax, business, investment, financial, and accounting advisers to the extent they have deemed necessary, and they have made their own investment decisions based upon their own judgment and upon any advice from such advisers as they have deemed necessary. Any investors are also expected to execute a customary investor letter. The company has not given, and the investors have not received from the company, any non-public information in connection with the Private Placement.

This press release contains "forward-looking statements”, which are statements related to future events. In this context, forward-looking statements often address Active Biotech’s expected future business and financial performance, and often contain words such as "expect”, "anticipate”, "intend”, "plan”, "believe”, "seek”, or "will”. Forward-looking statements by their nature address matters that are, to different degrees, uncertain and can be influenced by many factors, including the behavior of financial markets, fluctuations in interest and exchange rates, commodity and equity prices and the value of financial assets; the impact of regulation and regulatory, investigative and legal actions; strategic actions; and numerous other matters of national, regional and global scale, including those of a political, economic, business and competitive nature. These factors may cause Active Biotech’s actual future results to be materially different than those expressed in its forward-looking statements. Active Biotech does not undertake to update its forward-looking statements.