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## **COMBIMATRIX ANNOUNCES CONTRACT WITH NORTHROP GRUMMAN CORPORATION**

Newport Beach, Calif. – (BUSINESS WIRE) – May 23, 2006 – Acacia Research Corporation (Nasdaq: CBMX:ACTG) announced today that its CombiMatrix group has signed a subcontract with Northrop Grumman (NYSE: NOC) to develop technology and components for the Handheld Isothermal Silver Standard Sensor (HISSS) program. The Special Project Office of the Defense Advanced Research Projects Agency (DARPA) funds the HISSS program. More information can be obtained on the HISSS program by visiting their website at <http://www.darpa.mil/spo/programs/hiss.htm>.

The goal of the HISSS program is to develop a handheld sensor that is capable of identifying biological weapon threats across the entire threat spectrum including bacteria, viruses and toxins. The HISSS sensor will be based on isothermal technologies that hold the promise of allowing silver-standard quality identification in a small, low-logistics package.

Financial support for this work will be provided through Northrop Grumman's contract. Should this contract expand into Phase IV and eventually into procurement, CombiMatrix may be awarded additional contracts to develop technology and supply components.

"We look forward to building a long-term successful relationship with Northrop Grumman," said Dr. Amit Kumar, President and CEO of CombiMatrix. "Our technologies and capabilities span a very wide spectrum and this subcontract enables us to provide our microfluidics capabilities to Northrop Grumman."

## **ABOUT NORTHROP GRUMMAN CORPORATION**

Northrop Grumman Corporation provides products, services, and solutions in information and services, aerospace, electronics, and shipbuilding to the military, government, and commercial customers in the United States and internationally. The company provides airborne radar, navigation systems, electronic countermeasures, precision weapons, airspace management systems, space systems, marine and naval systems, communications systems, government systems, and logistics services. It also designs nuclear-powered aircraft carriers and nuclear-powered submarines, as well as provides services for various naval and commercial vessels. The company also offers design, engineering, construction, and life cycle support; and network-enabled integrated systems and subsystems for U.S. government, civil, and international customers. It also supports the military with intelligence, surveillance, and reconnaissance; battle management command and control; and integrated strike warfare. In addition, the company

integrates command, control, and intelligence systems; missile systems; strategic missiles; missile and air defense; airborne reconnaissance; intelligence management and processing; electro-magnetic and infrared analysis; communications; and decision support systems, as well as delivers life-cycle solutions for information systems and services; C4ISR; strategic security; engineering and science; training and simulation; base and range operations; and enterprise information technology solutions and products. Further, it develops and integrates spacecraft systems and subsystems, electronic and communications payloads, avionics systems, and laser systems and subsystems. The company was founded in 1939 and is headquartered in Los Angeles, California. More information is available at <http://www.northropgrumman.com>.

## 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 arrays, which are semiconductor-based tools for use in identifying and determining the roles of genes, gene mutations and proteins. The CombiMatrix's group's technology has a wide range of potential applications in the areas of genomics, proteomics, biosensors, drug discovery, drug development, diagnostics, combinatorial chemistry, material sciences and nanotechnology.

The Acacia Technologies group develops, acquires, and licenses patented technologies. Acacia controls 44 patent portfolios, which include over 160 U.S. patents, and certain foreign counterparts, covering technologies used in a wide variety of industries including audio/video enhancement & synchronization, broadcast data retrieval, computer memory cache coherency, credit card fraud protection, database management, data encryption & product activation, digital media transmission (DMT®), digital video production, dynamic manufacturing modeling, enhanced Internet navigation, hearing aid ECS, image resolution enhancement, interactive data sharing, interactive television, laptop docking station connectivity, microprocessor enhancement, multi-dimensional bar codes, network data storage, resource scheduling, rotational video imaging, spreadsheet automation, user activated Internet advertising and web conferencing & collaboration software.

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 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.*