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UNITED STATES DISTRICT COURT
DISTRICT OF MARYLAND
(NORTHERN DIVISION)

IN RE MARTEK BIOSCIENCES CORP.,)
SECURITIES LITIGATION)
_____)

Civil Action No. MJG 05-1224

**STIPULATION [AND ~~PROPOSED~~ ORDER] OF VOLUNTARY DISMISSAL
WITH PREJUDICE OF COUNTS III AND IV OF THE
CONSOLIDATED AMENDED CLASS ACTION COMPLAINT**

The parties, by and through their undersigned counsel, stipulate and agree as follows:

1. In the Consolidated Amended Class Action Complaint (“Amended Complaint”) filed with this Court on November 18, 2005, Plaintiffs asserted in Count III a violation of Section 11 of the Securities Act of 1933 (the “’33 Act”). In Count IV of the Amended Complaint, Plaintiffs asserted a violation of Section 15 of the ’33 Act.

2. The sole Plaintiff identified as having claims under the ’33 Act as alleged in Counts III and IV of the Amended Complaint was James Keathley. Paragraph 25 of the Amended Complaint alleged that Keathley had the requisite standing because he had:

[P]urchased shares of Martek common stock on January 21, 2005 pursuant to or traceable to the registration statement (as explained more fully below) and prospectus dated January 21, 2005 for the Company’s Secondary Offering as demonstrated on his Certification attached hereto, and suffered damages as a result of Defendants’ conduct.

3. As shown in Plaintiffs’ Responses and Objections to Defendant Martek Biosciences Corporation’s First Set of Interrogatories, a copy of which is attached hereto as Exhibit 1, subsequent investigation by Plaintiffs’ counsel demonstrated that neither Plaintiff Keathley nor any other named plaintiff purchased shares of Martek common stock pursuant to or traceable to the Registration Statement.

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4. As a consequence of the facts developed by further investigation by Plaintiffs' counsel, as confirmed in the Answers to Interrogatories attached as Exhibit 1, the parties, through counsel, have stipulated and agreed that the '33 Act claims as set out in Counts III and IV of the Amended Complaint shall be dismissed with prejudice as to all named Plaintiffs in this litigation.

5. It is understood and agreed that this Stipulation of Dismissal does not apply to or bind any persons or entities other than the named Plaintiffs in this litigation. To the extent that any person or entity not named as a plaintiff in this litigation has standing to bring a claim under the '33 Act, such claim shall not be precluded or affected by this Stipulation or the dismissal with prejudice of Counts III and IV of the Amended Complaint as to the named Plaintiffs.

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