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**STRESSGEN PRESENTS NEW DATA INDICATING THE
MAJORITY OF ANAL DYSPLASIA PATIENTS IMPROVE
WITH HspE7**

*Data Confirm Earlier Findings: 73% of Patients Downgrade from High
Grade to Low Grade Dysplasia*

FOR IMMEDIATE RELEASE

April 24, 2001

Bethesda, Maryland - Stressgen Biotechnologies Corporation (TSE:SSB) announced today that additional preliminary Phase II data confirm previously reported activity of HspE7, a novel immunotherapeutic, for the treatment of a precancerous condition caused by human papillomavirus (HPV) called anal dysplasia (AIN). At the 5th International AIDS Malignancy conference, Joel M. Palefsky, M.D., one of the foremost international experts in AIN, reported updated results of an open-label Phase II trial in high grade anal dysplasia. Data from the first 22 consecutive patients were reported at the primary six-month evaluation point where 16 of 22 patients (73%) downgraded to low grade dysplasia. These data are consistent with the initial reports of this ongoing trial.

"These data continue to support Stressgen's belief that HspE7 could become an important therapeutic option for HPV-related diseases such as anal dysplasia. Many patients now require some form of surgery – a potentially painful and debilitating procedure. HspE7 could potentially eliminate the need for surgery," said John R. Neefe, M.D., Vice President, Clinical Research and Regulatory Affairs of Stressgen. To date, no serious adverse events related to HspE7 treatment have been observed in the patients reported. Stressgen plans to analyze the final data from the completed Phase II AIN trial during the third quarter of 2001. The data will then be submitted for initial public presentation at an appropriate scientific forum. Stressgen's phase III trial in anal dysplasia is actively enrolling patients and is progressing according to schedule.

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"At the 5th International AIDS Malignancy Conference, it has become increasingly apparent that anal dysplasia is an important public health problem, especially among HIV-infected gay men," said Dr. Palefsky, Director of the General Clinical Research Center and Professor of the Departments of Laboratory Medicine and Stomatology at the University of California, San Francisco. "Anal dysplasia is more common than anyone had previously known, and it can have serious medical implications if left untreated. We now recognize that anal dysplasia affects many men with HIV infection. Worse, the incidence of anal cancer, which may be a consequence of anal dysplasia, appears to be increasing rapidly in this group. New approaches to the treatment of anal dysplasia are badly needed."

The Company is evaluating the potential of HspE7 as a broad based therapeutic for diseases caused by human papillomavirus (HPV). The Company currently has a number of clinical trials ongoing, including one Phase III trial, and several Phase II trials, and will soon initiate a clinical trial to evaluate HspE7 for the treatment of a serious HPV-related disease, recurrent respiratory papillomatosis (RRP), for which the FDA recently granted orphan drug status. RRP is caused by the same HPV types that cause genital warts.

HspE7, a recombinant fusion product created with Stressgen's proprietary Hsp fusion technology, is composed of heat shock protein 65 (Hsp65) from *Mycobacterium bovis* BCG and the protein E7. As a member of the family of stress proteins, Hsp65 is known to elicit a powerful immune response. The E7 protein is derived from HPV and is involved in the malignant transformation of epithelial cells. E7 is a tumor-specific antigen and represents a precise target for the immune system attack on infected cells.

Conference Call

Stressgen will hold its First Quarter 2001 financial conference call on May 3, 2001 at 4:00 p.m. Eastern Time (1:00 p.m. Pacific Time). The call in number to access the call is 800/326-6186 in North America. A replay of this call will be available from May 3 at 3:00 Pacific Time through May 10, 2001. The playback number is: 800/558-5253, reservation number 18670407. To access information about the call, please log on to our website, www.stressgen.com.

About Stressgen

Stressgen is a public biopharmaceutical company focused on the development and commercialization of innovative stress protein-based immunotherapeutics. The Company is developing a broad range of products for the treatment of viral infections and related cancers. In addition to targeting HspE7 in HPV-related diseases, the Company has also initiated research studies to evaluate its Hsp technology in the treatment of asthma, allergy and hepatitis. Stressgen is also an internationally recognized supplier of research products for the study of cellular stress, apoptosis, oxidative stress and neurobiology, which are used by scientists worldwide.

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This press release contains certain "forward-looking" statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are based on the current expectations of our researchers, are subject to uncertainty and will require confirmation through additional studies. Forward-looking statements contained herein include statements about potential side-effects of HspE7, a potential treatment for anal dysplasia, and plans to initiate clinical trials which are subject to the ability to manufacture HspE7, successfully collaborate with third-parties and obtain regulatory approvals. More detailed information about these factors is set forth in our Annual Report on Form 10-K as filed with the Securities and Exchange Commission. We are not under any obligation to (and expressly disclaim any such obligation to) update or alter our forward-looking statements, whether as a result of new information, future events or otherwise.

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