



**STRESSGEN BIOTECHNOLOGIES ANNOUNCES
2000 FINANCIAL RESULTS**

**Company Demonstrated Proof of Principle With Heat Shock Fusion Technology and
Advanced Lead Product to Phase III Clinical Trials**

FOR IMMEDIATE RELEASE

March 8, 2001

Victoria, British Columbia, March 8, 2001 - Stressgen Biotechnologies Corp. (TSE: SSB) today announced financial results for the fourth quarter and year ended December 31, 2000. All amounts, unless specified otherwise, are in Canadian dollars.

Stressgen reported a net loss of \$25,407,000, or \$0.63 per share, for the year ended December 31, 2000, compared to a net loss of \$16,738,000, or \$0.58 per share, for the year ended December 31, 1999. For the quarter ended December 31, 2000, the Company reported a net loss of \$11,079,000, or \$0.23 per share, compared to a net loss of \$6,233,000, or \$0.21 per share, for the same period in 1999.

The increased losses are principally attributed to increased expenditures for human clinical trial activities and manufacturing scale-up associated with our leading product candidate, HspE7, which is currently being evaluated in four separate phase II clinical trials and one phase III clinical trial. The Company anticipates that its research and development spending will increase in 2001 in response to expanding research and product development programs. At December 31, 2000, the Company had cash and short-term investments of \$70,567,000 and used net cash of \$20,994,000 in its operations during the year.

“The year 2000 was a breakthrough year for us on many fronts,” said Daniel L. Kopolinski, Stressgen’s President and Chief Executive Officer. “We demonstrated proof of principle with our heat shock fusion technology and advanced our lead product, HspE7, to Phase III clinical testing. In 2001, we will build upon this success by advancing our clinical programs for HspE7 ensuring that it is well positioned to become the future cornerstone of HPV patient management. Additionally, we will expand our heat shock protein fusion platform technology through the initiation of preclinical programs for other viral infections, such as Hepatitis B and HIV, as well as other early-stage research programs.”

The Company achieved important milestones during the year 2000. A summary of the most significant of the milestones achieved are indicated below:

- Appointed Daniel Korpolinski as President and CEO
- Added to the TSE 300 Composite Index
- Raised \$75,875,000 from public offering and exercise of warrants and options
- Reported early HspE7 phase II data indicating 75% of patients convert from high grade to low grade dysplasia
- Initiated HspE7 phase III trial in HPV-related anal dysplasia
- Initiated three HspE7 phase II trials in high grade cervical dysplasia, cervical cancer and genital warts (early 2001)

HspE7 is a novel immunotherapeutic for the treatment of diseases caused by the human papillomavirus (“HPV”), one of the most common sexually transmitted diseases, estimated to infect approximately 30 to 50 percent of the sexually active population. There are 5.5 million new cases of genital HPV infection diagnosed per year in the U.S. alone, of which over 1 million represent cases of genital warts. In addition to warts, genital HPV infection can cause a variety of precancerous conditions, including anal and cervical dysplasia.

Product sales from the Company’s bioreagent business increased by approximately 27% to \$4,156,000 for the year ended December 31, 2000 due to growing demand for stress protein bioreagents and complementary new product introductions. Sales for the fourth quarter increased by approximately 35% to \$1,079,000, compared to \$801,000 for the same period in 1999.

Conference Call

Stressgen will hold its 2000 year-end financial conference call on March 8, 2001 at 4:00 p.m. Eastern Standard Time (1:00 p.m. Pacific Standard Time). The call in number to access the call is 888-209-3802 in North America. A replay of this call will be available from March 8 at 4:00 p.m. Pacific Standard Time through March 15, 2001. The playback number: 1-800-558-5253, passcode 17957791. To access information about the live call or an archive of the call for seven days online, please log onto <http://www.stressgen.com>.

About Stressgen Biotechnologies

Stressgen is a 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. Stressgen’s lead product HspE7 targets a variety of HPV-related diseases. The Company initiated research studies to evaluate the technology in the treatment of asthma and allergy as well as Hepatitis. Stressgen is

also an internationally recognized supplier of research products for the study of cellular stress, apoptosis, oxidative stress and neurobiology. These products are used by scientists worldwide.

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The foregoing information may include forward-looking statements concerning, among other things, management's plans and future corporate objectives, possible product launches and possible revenues. All such forward-looking statements are, by necessity, only estimates or expectations of future results and actual results achieved by the Company may differ materially from these statements due to a number of factors, including i) the Company's ability to successfully complete clinical development and manufacturing of any products and obtain timely regulatory approval, ii) decisions, and the timing of decisions, made by the health regulatory agencies regarding approval of the Company's products for human testing, and iii) the willingness of other companies to enter into agreements with the Company. The Company assumes no obligation to update these forward-looking statements to reflect actual results, changes in assumptions or changes in other factors affecting such statements.

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