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PRELIMINARY CLINICAL DATA DEMONSTRATE ROBUST ACTIVITY FOR HspE7 IN GENITAL WARTS

*New Data Presented at the American Society of Colon and Rectal Surgeons Meeting
Confirm Broad Spectrum Activity of HspE7 for the Treatment of HPV-related Diseases*

FOR IMMEDIATE RELEASE

June 6, 2001

San Diego, California - Stressgen Biotechnologies Corporation (TSE:SSB) announced that new data presented today at the American Society of Colon and Rectal Surgeons Annual Meeting, June 2-7, 2001 suggest that HspE7 may be active in treating genital warts caused by the human papillomavirus (HPV). The clinical observations reported retrospectively were made during Stressgen's Phase II open-label trial in anal dysplasia (AIN) where 14 of the first 22 patients enrolled at one study center also had genital warts. At six months, 13 of 14 patients (93%) responded to HspE7. Of the total patients reported, 10 of 14 (71%) had warts reduced in size 70-95% and 3 of 14 (21%) had complete resolution. These responses are not HPV-16 specific, indicating that HspE7 activity crosses multiple HPV types.

“These data suggest that HspE7 is broadly active in anogenital warts, enhancing its potential as an important new therapeutic for HPV-related diseases,” said John R. Neefe, M.D., Vice President of Clinical and Regulatory Affairs of Stressgen. Encouraged by these observations, Stressgen has opened a randomized double-blind, placebo-controlled Phase II trial designed to examine the activity of HspE7 in genital warts. Enrollment in this trial is complete and data from this trial should be available for analysis in the fourth quarter of 2001.

Genital warts are caused by certain types of HPV, one of the most common sexually transmitted diseases in the world infecting 24 million people in the U.S. alone. There are 5.5 million new cases of genital HPV infection diagnosed per year in the U.S., of which over one million represent new cases of genital warts. Existing treatments for genital warts use ablative methods, involving surgery or the application of topical agents to the surface of each wart. The majority of patients, however, will experience recurrent episodes within three to six months. In addition to genital warts, HPV is responsible for a variety of precancerous and cancerous conditions. HPV is also responsible for a serious HPV-related disease known as recurrent respiratory papillomatosis (RRP), which is caused by the same types that cause genital warts.

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“The medical community is becoming increasingly aware of the seriousness of HPV-related diseases such as genital warts and precancerous lesions. Treatment recommendations are evolving, however, many patients require some form of surgical ablative treatment. With the high recurrence of genital warts, these procedures are painful and can leave the patient debilitated over many weeks to months of repeated treatments. New therapies are badly needed, and the possibility of an immune-based therapy is very exciting because it has the potential to avoid surgery, improve quality of life and hopefully decrease recurrence. These HspE7 clinical data appear to be very promising. I look forward to further clinical results,” said Stephen E. Goldstone, M.D. Dr. Goldstone, a leading AIN specialist, is a Fellow of the American College of Surgeons. He is on the teaching faculty of The Mount Sinai School of Medicine and has a surgical practice in New York City.

Results presented today by Dr. Goldstone were in the form of a retrospective chart review from patients evaluated by physical examination at baseline and six months as to the percentage reduction in wart size. The reduction in wart size in the 13 responders markedly diminished the procedure that would be necessary for complete ablation. Of the 14 patients with genital warts, one patient did not respond to HspE7. In the majority, the warts improved substantially but did not disappear totally within six months. No serious adverse events in the patients reported were related to HspE7.

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 to attack abnormal cells.

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 heat shock protein technology in the treatment of viral diseases such as 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.

About Conference Call

Stressgen's conference call will be held on **June 7, 2001 at 9:00 a.m. Eastern Time (6:00 a.m. Pacific Time)**. The dial in number to access the call is **888-489-9485** in North America. A replay of this call will be available from June 7 at 8:00 a.m. Pacific Time through June 14, 2001. The playback number is: 800-558-5253, reservation No. 19040166. The Company will retain information about accessing the call on its website at www.stressgen.com through the playback period.

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This news release contains certain forward-looking statements that involve risks and uncertainties. Such forward-looking statements include statements regarding the efficacy of HspE7 in HPV-related diseases, the timing and potential results of the Company's clinical trials and the Company's ability to develop therapeutics. Such statements are only predictions. Factors that may cause the ultimate results or our performance to be materially different from those implied by such statements include risks that there will be delays in conducting clinical trials, that products that appeared promising in early research do not demonstrate safety or efficacy in larger-scale clinical trials, and that it will be difficult to progress from research to commercialization. These factors and others are more fully discussed in our Quarterly Report on Form 10-Q and other filings with the U.S. Securities and Exchange Commission and Canadian regulatory authorities. The Company does not assume any obligation to update or alter the contents of this news release.

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