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StressGen announces \$25.3 million special warrant financing

Victoria, British Columbia, January 20, 2000 – StressGen Biotechnologies Corp. (TSE:SSB) today announced it has entered into an underwriting agreement to issue, on a private placement basis and subject to regulatory approval, 7,449,000 special warrants at a price of \$3.40 per special warrant for gross proceeds of \$25,326,600. Each special warrant is exercisable into one common share at no additional consideration. The financing is being underwritten by a syndicate led by Nesbitt Burns Inc. and including Goepel McDermid Inc.

The net proceeds from the offering of special warrants will be used to fund ongoing clinical trials for StressGen's lead product candidate, the HspE7 stress protein, in female patients with high grade cervical dysplasia and male and female patients with anal dysplasia, as well as for further research and clinical development of the Company's other product candidates.

Richard Glickman, President and CEO said "We appreciate the strong support we received in this offering and intend to use these funds to move aggressively on our product development plans which include key milestones this year for HspE7 and the development of additional compounds."

StressGen Biotechnologies Corp. is a biopharmaceutical company developing innovative immunotherapy products to treat cancer and prevent infectious disease. The Company's core technology capitalizes on the ability of stress proteins to activate the body's immune system to recognize and fight disease. Through its Biochemical Division, StressGen is also an internationally recognized supplier of stress protein, apoptosis, cell proliferation, protein phosphorylation, receptors and neuroscience research products. These products are used by scientists worldwide.

The matters contained in this news release including, but not limited to clinical trials, regulatory matters, beliefs, and expectations are forward-looking statements. StressGen undertakes no obligation to publicly release the results of any revision to these forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

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