



350 - 4243 Glanford Ave.
Victoria, BC Canada V8Z 4B9
Tel: (250) 744-2811 Fax: (250) 744-2877
<http://www.stressgen.com>

00/06

Contact:

David Matthews
StressGen Biotechnologies
(250) 744-2811

Gretchen L. P. Schweitzer OR
Feinstein Kean Healthcare
(617) 577-8110

Fran DeVellis
Feinstein Kean Healthcare
(617) 577-8110

FOR IMMEDIATE RELEASE

StressGen Announces Fourth Quarter and Fiscal Year-end 1999 Results

Victoria, British Columbia, March 9, 2000 - StressGen Biotechnologies Corp. (TSE: SSB) today released its financial results for the quarter and fiscal year ended December 31, 1999. Product sales in the Company's Biochemical Division were up 24.7% to \$3.27 million for the year ended December 31, 1999 as compared to \$2.62 million for the previous year. Total revenues, including interest income and biochemical sales, were \$4.06 million for the twelve-month period compared to \$4.54 million for the same period last year. The Company fourth quarter revenues were \$0.88 million compared to \$1.05 million reported in the fourth quarter of 1998.

The Company incurred a net loss of \$6.23 million (\$0.19 per share) for the quarter compared with \$4.15 million (\$0.17 per share) for the corresponding period last year. For the year ended December 31, 1999, the net loss was \$16.74 million compared with \$14.21 million for the previous year. The loss reflects the Company's investment in research and product development, including the development of its lead product HspE7. The Company also experienced higher selling, general and administrative costs during the year. In addition, fourth quarter and year-end results include a charge of \$1.40 million relating to the dissolution of the Company's Joint Venture with Genzyme Molecular Oncology.

Total cash and cash equivalents at the end of the quarter totaled \$16.48 million. The Company's R&D investment for the quarter increased to \$3.79 million from \$3.68 million for the comparative quarter in 1998.

Significant milestones during the fourth quarter included:

- The completion of a phase I study in healthy volunteers with HspE7, the Company's potential new, non-surgical treatment for cervical dysplasia. The subjects in the study tolerated HspE7 well and showed evidence of a cell-mediated immune response. The results support the testing of multiple doses in a larger population for both safety and efficacy.
- Entering into a Clinical Trials Agreement with the National Cancer Institute (NCI) in the United States for the co-development of HspE7, in diseases caused by the human papillomavirus (HPV).
- Starting a Phase II clinical trial of HspE7 in immunocompetent male and female patients with anal dysplasia. The primary goal of the Phase II clinical trial is to determine whether HspE7 is more effective than placebo in inducing complete regression of dysplastic cells in subjects with biopsy-confirmed high-grade anal dysplasia.

- Announcing that the National Cancer Institute (NCI) in the United States will fund, through the AIDS Malignancy Consortium, an investigator-led clinical trial of HspE7 in HIV-positive patients with anal dysplasia. The Phase II trial, the first test of HspE7 in people with suppressed immune systems, will be conducted by Joel Palefsky, M.D., Professor of Laboratory Medicine at the University of California San Francisco (UCSF). StressGen will supply HspE7 for use in the study.

Impact of the Year 2000

Even though January 1, 2000 has now past and the Company has not experienced any immediate adverse impact from the transition to the Year 2000, StressGen cannot provide assurance that its subcontractors, suppliers and customers have not been affected in a manner that is not yet apparent. In addition, certain computer programs that were date sensitive to the Year 2000 may not process the Year 2000 as a leap year, and any negative consequential effects remain unknown. As a result, the Company will continue to monitor its Year 2000 compliance and the Year 2000 compliance of our subcontractors, suppliers and customers.

Overview

StressGen Biotechnologies Corp. is a biopharmaceutical company focused on the discovery and development of 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.

The matters contained in this news release relating to clinical trials, beliefs, expectations, and future strategies 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.

-- Financial Tables Follow --

###