



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

---

Contact:  
Elisabeth Whiting  
StressGen Biotechnologies Corp.  
(250) 744-2811

Fran DeVellis  
Feinstein Kean Partners  
(617) 577-8110

FOR IMMEDIATE RELEASE

## **StressGen announces 2000 first quarter results**

**Victoria, British Columbia, May 17, 2000** — StressGen Biotechnologies Corp. today released its financial results for the quarter ended March 31, 2000. The Company reported first quarter revenues of approximately \$1.2 million compared to \$1.1 million reported in the first quarter of 1999. This increase is attributable to a 33% increase in biochemical product sales from \$0.74 million for the first quarter of 1999 to \$1.0 million for the first quarter of 2000. Growth in revenues is offset slightly by a decline in interest and other income of 12.4% from \$0.31 million for the first quarter of 1999 to \$0.28 million for the first quarter of 2000.

StressGen incurred a net loss for the first quarter of \$4.3 million (\$0.13 per share) compared to a net loss of \$3.4 million (\$0.11 per share) for the corresponding period of the prior year. The increased losses reflect the advancement of multiple phase II clinical trials of the company's lead product, HspE7, and the development of the company's organizational structure to support this and other research and development programs.

During the first quarter, StressGen completed special warrants financing raising gross proceeds of \$25.3 million and closed the quarter with \$35.1 million in cash and investments. This compares to cash on hand of \$26.0 million for the first quarter of 1999.

The Company's R&D investment for the quarter increased to \$3.7 million from \$3.2 million reported for the prior year. The increased expenditures in this area reflect the advancement of HspE7, StressGen's fusion protein therapeutic for cervical dysplasia, into phase II clinical trials, which was initiated in the first quarter 2000. StressGen also has a phase II trial in anal dysplasia underway and plans to initiate a phase II trial in cervical cancer in the near future.

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, protein trafficking and signal transduction research reagents.

*The matters contained in this news release relating to 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--**

<b>StressGen Biotechnologies Corp.</b>			
<b>Consolidated Balance Sheet in Brief ( Unaudited)</b>			
(in thousands of Canadian dollars)		As at March 31	
	2000		1999
<b>ASSETS</b>			
<b>Current</b>			
Cash and investments	\$ 9,602		\$ 26,060
Cash held in escrow	25,512		0
Accounts receivable	845		823
Inventories	625		409
Total Current Assets	36,585		27,292
Long-term assets	2,173		2,225
<b>Total Assets</b>	<b>\$ 38,758</b>		<b>\$ 29,517</b>
<b>LIABILITIES</b>			
Total Current Liabilities	\$ 2,200		\$ 1,642
Long term debt	1,467		4,676
	3,667		6,318
<b>Shareholders' Equity</b>			
Share Capital	60,031		53,860
Special Warrants	23,276		0
Deficit	(48,216)		(30,660)
	35,091		23,199
<b>Total Liabilities &amp; Shareholders' Equity</b>	<b>\$ 38,758</b>		<b>\$ 29,517</b>
<b>Selected financial results (unaudited)</b>			
(in thousands of Canadian dollars except loss per share)			
	Three Months ended March 31		
	2000		1999
<b>Revenue</b>			
Biochemical sales	\$ 985		\$ 741
Interest and other income	256		314
Total Revenues	1,240		1,055
<b>Expenses</b>			
Research and development	3,731		3,177
Selling, general and administrative	1,470		979
Cost of biochemical sales	192		113
Depreciation and amortization	130		138
Interest on long term debt	32		27
Total expenses	5,555		4,435
<b>Net loss</b>	<b>\$ (4,315)</b>		<b>\$ (3,380)</b>
Weighted average of Common shares	33,267		29,757
Loss per common share	\$ (0.13)		\$ (0.11)