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STRESSGEN REPORTS DATA ON RECOMBINANT FUSION PROTEIN HSP E7 MECHANISM OF ACTION

*Clin. Exp. Immunol. Paper Also Highlights Potential Novel Therapeutic
Approach for Immunocompromised Patient Population*

FOR IMMEDIATE RELEASE

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Victoria, British Columbia - StressGen Biotechnologies Corp. (TSE: SSB) announced today the publication of data demonstrating that its lead product, HspE7, a recombinant fusion protein, invokes a potent cytotoxic T cell response. This type of immune response is important for clearance of viral infections and cancers. In addition, HspE7 activity is shown to be CD4+ independent. This supports the potential application of StressGen's novel therapeutic approach in the treatment of immunocompromised patients, whose CD4+ T cells are depleted or significantly impaired. This report appears in the journal of *Clinical and Experimental Immunology* (121:216-225). These preclinical studies clearly indicate that the recombinant fusion protein is required for tumor regression and long-term survival. Components of the fusion protein, alone or in a mixture, are not effective.

HspE7, a recombinant fusion protein, 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 an antigen derived from the Human Papillomavirus (HPV) and is involved in the malignant transformation of anal and cervical epithelial cells. E7 is a tumor-specific antigen and thus represents a precise target for the immune system attack on HPV infected cells, leaving normal tissues unharmed.

"This publication reinforces StressGen's position at the forefront of heat shock protein based immunotherapeutics and further supports the utility of the fusion protein in expanding our pipeline," said Daniel Korpilinski, President and CEO of StressGen. "Our plans include programs for other infectious diseases such as Hepatitis and also HIV."

These studies extend previous observations including those previously reported by some of StressGen's collaborators at MIT on the mechanism of action of Hsp fusion proteins and are consistent with the clinical application of HspE7 as an immunotherapy for HPV-related diseases such as cervical and anal dysplasia and cancer. HspE7 is based on Stressgen's proprietary fusion protein platform technology.

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StressGen Biotechnologies Corporation is focused on the development and commercialization of novel heat shock protein-based immunotherapeutics for the treatment of virally induced infections and cancers. The Company's lead product HspE7 targets HPV (human papillomavirus) which is responsible for a variety of precancerous and cancerous conditions. StressGen has an active phase II HspE7 study in women with high-grade cervical dysplasia and plans to initiate a phase II HspE7 trial for cervical cancer as well as a phase III AIN trial. In addition, StressGen will be expanding the HspE7 clinical program to include genital warts. The Company is developing a broad range of stress protein-based therapeutic products for other diseases including hepatitis and HIV and has also initiated studies to evaluate the heat shock proteins in asthma and allergy. Through its Biochemical Division, StressGen is 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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