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STRESSGEN INITIATES HSPE7 PHASE II TRIAL IN CERVICAL CANCER

Heat Shock Fusion Protein - A Novel Therapeutic for HPV-Related Diseases

FOR IMMEDIATE RELEASE

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Victoria, British Columbia - StressGen Biotechnologies Corp. (TSE: SSB) announced today that it has initiated patient treatment in its Phase II clinical trial to investigate HspE7, a novel immunotherapeutic, as a treatment for advanced cancer of the uterine cervix caused by the human papillomavirus (HPV). This disease is associated with extreme morbidity and is always fatal when surgery and radiotherapy fail.

HspE7, a recombinant fusion product, 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 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 abnormal cells. HspE7 is based on StressGen's proprietary fusion protein platform technology. StressGen also has an active phase II HspE7 study in women with HPV-related cervical dysplasia (CIN), and plans to initiate a phase III trial in HPV-related anal dysplasia (AIN).

HPV causes 90-99+% of cervical cancers. Cervical infection with HPV commonly results in the development of abnormal or dysplastic cells are usually detected in women through regular Pap smear screening. Left undiagnosed, dysplastic cells can become cancerous. It is estimated that 1.5 million women in the United States will be diagnosed with some form of HPV-related cervical dysplasia. HPV is also responsible for genital warts and is the causative agent of laryngeal warts as well as some head and necks cancers.

Cervical cancer is a global public health problem, particularly in countries where routine PAP smears are not practiced. Globally there are approximately 500,000 new cases of cervical cancer identified each year resulting in nearly 300,000 deaths. Each year in the U.S. 15,000 women are diagnosed with cervical cancer and 5,000 die from cervical cancer.

"Clearly a need exists to develop better treatments," said Daniel Kopolinski, President and CEO of StressGen Biotechnologies. "Promising results from our HspE7 clinical program and earlier phase studies suggest that our approach could offer a new therapy for patients with advanced cervical cancer".

In the Phase II cervical cancer trial, StressGen will employ proprietary heat shock fusion protein immunotherapy, HspE7, which the Company developed to treat HPV-related diseases such as cervical cancer and anal dysplasias. The study requires each patient to receive multiple injections of HspE7. Clinical efficacy will be measured by conventional oncologic criteria.

StressGen Biotechnologies Corporation is a biopharmaceutical company focused on the development and commercialization of innovative stress protein-based immunotherapeutics. The Company's lead product, HspE7, is in Phase II trials for CIN and AIN. StressGen plans to initiate an HspE7 Phase III AIN trial and a clinical trial in genital warts. The Company is developing a broad range of stress protein-based

therapeutic products for the treatment of virally-induced infections and cancers, Hep B and HIV. StressGen has also initiated studies to evaluate the technology in asthma and allergy. Through its Biochemical Division, StressGen is also 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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