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STRESSGEN PRESENTS EARLY DATA INDICATING 75% OF PATIENTS CONVERT FROM HIGH GRADE TO LOW GRADE DYSPLASIA

HspE7 May Treat Disease of Multiple HPV Types including Genital Warts Types

FOR IMMEDIATE RELEASE

OCTOBER 3rd, 2000

NEW YORK, USA –StressGen Biotechnologies (SSB:TSE) announced today that new Phase II data confirm activity of HspE7, a novel immunotherapeutic, in the treatment of Human Papillomavirus (HPV)-related anal dysplasia. Data indicate that HspE7 converts 75% of patients from high grade to low grade anal dysplasia at six months, potentially eliminating the need for surgery. Furthermore, HspE7 activity was not HPV type specific as responses were observed in patients with a variety of HPV types, including those that cause genital warts. This data suggests that HspE7 may be a potential therapeutic for a number of diseases caused by different HPV types. This data will be presented at Cancer Vaccines 2000, a scientific conference sponsored by the Cancer Research Institute, being held this week in New York City.

HPV is one of the most common sexually transmitted diseases in the world, infecting more than 30% of the sexually active population. In the US alone, there are an estimated 5.5 million new cases of genital HPV infection per year. There are a number of high risk HPV types that cause a variety of precancerous and cancerous diseases such as cervical and anal dysplasia and cancers, as well as some head and neck cancers. Currently procedures involving surgery are often recommended to prevent high grade dysplasia from progressing to cancer.

HspE7, a recombinant fusion protein, is composed of heat shock protein 65 (Hsp65) from *Mycobacterium bovis* BCG and the protein E7 from HPV type 16. 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 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.

StressGen's investigators reported results of an open label trial in high grade anal dysplasia. Patients previously enrolled in a randomized, double blind, placebo-controlled trial were permitted to rollover to the open label trial if they had persistent high grade dysplasia after low dose of HspE7 or placebo. In the open label trial they receive the higher dose of 500 mcg monthly for three doses and there is no placebo control. There is a preliminary evaluation after three months and the primary pathological evaluation is made six months after entry. Pathological response is scored if all pathological specimens taken at the evaluation point show downgrade in the dysplasia from high grade to low grade or to no dysplasia.

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StressGen Biotechnologies, Cancer Vaccines 2000 Conference, New York City. 3/10/00

StressGen reported preliminary results from the open label trial at the 18th International Papillomavirus Conference held in Barcelona, Spain, in July, 2000. The first ten patients entered in the trial were evaluated at the preliminary three month time point.

New data from the first 21 patients entered on the open label trial, including the first ten patients previously reported, are presented at the Cancer Vaccines 2000 conference. At the preliminary evaluation time point of three months the results are similar to those reported at Barcelona. The first eight patients are reported at the primary six months evaluation point, and six of eight patients (75%) downgraded to low grade dysplasia or no dysplasia. There were no severe adverse events related to HspE7.

The new data suggest that many or most patients treated with the appropriate regimen of HspE7 may convert from high grade to low grade dysplasia, potentially eliminating the need for surgery. The study is ongoing and observation continues for possible additional benefit with the passage of additional time.

All patients enrolled in the Phase II trial were HPV typed by PCR analysis of anal swab. Of the responders reported in New York City six of nine are HPV 16 negative. These patients had various, and usually multiple, HPV types including genital warts related types. These data, supported by an analysis showing immunological similarity of E7 proteins of a number of HPV types, suggest that HspE7 activity is not limited to infections related to HPV 16.

A phase III randomized, double blind, placebo-controlled study of HspE7 in anal dysplasia and a phase II study of HspE7 in genital warts will be initiated by StressGen within the next few months. The Company has active phase II HspE7 studies in women with high-grade cervical dysplasia and advanced cervical cancer. Additional data from the Phase II anal dysplasia open label trial, when available, will be presented in the appropriate medical forum.

StressGen Biotechnologies Corporation is a biopharmaceutical company focused on the development and commercialization of innovative stress protein-based immunotherapeutics. The Company is developing a broad range of stress protein-based therapeutic products for the treatment of virally induced infections and cancers, and 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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