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## STRESSGEN CLOSES CDN\$45.5 MILLION PUBLIC OFFERING

FOR IMMEDIATE RELEASE

OCTOBER 17<sup>th</sup>, 2000

**Victoria, British Columbia** - StressGen Biotechnologies Corp. (TSE: SSB) announced today that it has successfully closed its public offering of 6,500,000 Common shares at a price of CDN\$7.00 per share, representing an additional 500,000 Common shares over the number offered in the preliminary prospectus. Gross proceeds of this offering are CDN\$45,500,000, prior to exercise of the over-allotment option.

The underwriting syndicate for the offering was led by BMO Nesbitt Burns Inc., and included CIBC World Markets Inc. and Goepel McDermid Inc.

The net proceeds of this offering will be used primarily to fund the Company's development program for its lead product candidate HspE7. In addition, a portion of the funds will be used to drive the research and development of new product development opportunities, acquisition of complementary products or technologies, corporate expansion or relocation of its facilities, working capital and for general corporate purposes.

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 products for the treatment of virally-induced infections and related cancers. StressGen's lead product HspE7 targets a variety of precancerous and cancerous conditions caused by Human Papillomavirus (HPV). The Company has active Phase II HspE7 studies in women with high-grade cervical dysplasia and cervical cancer, as well as a Phase II study in anal dysplasia. In addition, StressGen plans to initiate a Phase II HspE7 study in genital warts and a Phase III HspE7 study in anal dysplasia before the end of the year. StressGen has also initiated research studies to evaluate the technology in the treatment of asthma and allergy as well as Hepatitis B. 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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