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STRESSGEN PRESENTS POSITIVE HspE7 DATA THAT 71% OF HIGH GRADE ANAL DYSPLASIA PATIENTS TREATED MAY AVOID SURGERY

*Final Complete Data From Both High and Low Dose Phase II Studies for AIN
to be Presented Later This Month at ICAAC*

FOR IMMEDIATE RELEASE

September 4, 2001

Florianopolis, Brazil - Stressgen Biotechnologies Corporation (TSE:SSB) announced today additional preliminary phase II data on HspE7 at the 19th International Papillomavirus conference from the first 56 consecutive patients at the primary six-month evaluation point where 40 of 56 patients (71%) downgraded to low grade dysplasia. Dr. Stephen E. Goldstone, M.D, a leading AIN specialist, reported these updated results from an open-label phase II trial of the 500 mcg high dose in high grade anal dysplasia. These data are consistent with the initial reports of this ongoing trial.

"These data continue to support Stressgen's belief that HspE7 could become an important therapeutic option for HPV-related diseases such as anal dysplasia, said John R. Neefe, M.D., Vice President, Clinical Research and Regulatory Affairs of Stressgen. "Many patients now require some form of surgery – a potentially painful and debilitating procedure. HspE7 could potentially eliminate the need for surgery in many of these patients."

"The medical community is just beginning to understand the full impact of AIN and treatment recommendations are evolving, said Dr. Goldstone. "Most patients require some sort of ablative treatment, but the treatment required can be painful and debilitating. New therapies are badly needed, and the HspE7 clinical data appear to be a promising development." Dr. Goldstone is a Fellow of the American College of Surgeons. He is on the teaching faculty of The Mount Sinai School of Medicine and has a surgical practice in New York City.

"According to a recent report by the National Institutes of Health, there is no conclusive evidence that condoms reduce the risk of infection by the human papillomavirus and several other sexually transmitted diseases, said Daniel L. Kopolinski, President and CEO of Stressgen Biotechnologies Corporation. "Reports such as these highlight the need for new and innovative treatment for sexually transmitted diseases. Stressgen is excited about the contribution of HspE7, a drug developed from its broad based proprietary fusion technology, and its potential to make a difference in managing HPV-related diseases."

The final data from the completed phase II randomized, double-blind, placebo-controlled, AIN trial, including all patients that crossed over in this open label trial, have been accepted for presentation later this month at ICAAC's (Interscience Conference on Antimicrobial Agents and Chemotherapy) annual meeting in Chicago. Stressgen announced in August that its phase III trial in anal dysplasia reached its target enrollment two months ahead of schedule.

About Stressgen Biotechnologies

Stressgen is a public 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 viral infections and related cancers. In addition to targeting HspE7 in HPV-related diseases, the Company also has a program to evaluate stress protein fusions in hepatitis B and has initiated research studies to evaluate its heat shock protein technology in the treatment of several other indications. Stressgen is also an internationally recognized supplier of research products used by scientists worldwide for the study of cellular stress, apoptosis, oxidative stress and neurobiology.

HspE7 is a novel immunotherapeutic for the treatment of diseases caused by the human papillomavirus ("HPV"), one of the most common sexually transmitted diseases, estimated to infect approximately 30 to 50 percent of the sexually active population. There are 5.5 million new cases of genital HPV infection diagnosed per year in the U.S. alone, of which over 1 million represent cases of genital warts. In addition to warts, genital HPV infection can cause cervical cancer and a variety of precancerous conditions, including anal and cervical dysplasia.

This news release contains certain forward-looking statements that involve risks and uncertainties. Such forward-looking statements include statements regarding the efficacy of HspE7 in HPV-related diseases, the timing and potential results of the Company's clinical trials and the Company's ability to develop therapeutics. Such statements are only predictions. Factors that may cause the ultimate results or our performance to be materially different from those implied by such statements include risks that there will be delays in conducting clinical trials, that products that appeared promising in early research do not demonstrate safety or efficacy in larger-scale clinical trials, and that it will be difficult to progress from research to commercialization. These factors and others are more fully discussed in our Quarterly Report on Form 10-Q and other filings with the U.S. Securities and Exchange Commission and Canadian regulatory authorities. The Company does not assume any obligation to update or alter the contents of this news release.

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