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STRESSGEN INITIATES PHASE II RECURRENT RESPIRATORY PAPILLOMATOSIS TRIAL IN CHILDREN

The Company is Evaluating the Potential of HspE7 to Treat Genital Warts of the Upper Airways

FOR IMMEDIATE RELEASE

November 19, 2001

Victoria, B.C., Canada - Stressgen Biotechnologies Corporation (TSE: SSB) announced today that it has initiated its pilot Phase II open label trial in pediatric patients suffering from a human papillomavirus (HPV)-related disease called recurrent respiratory papillomatosis (RRP). In the U.S., there are about 2,000 new cases each year of pediatric respiratory papillomatosis. The Company was granted orphan drug status for HspE7, a novel immunotherapeutic, from the United States Food and Drug Administration (FDA) in March of this year.

The trial will involve approximately 27 pediatric patients that currently require frequent surgery, and will be conducted in multiple centers in the U.S. The dose will be 500 mcg administered three times at monthly intervals. The endpoint for the trial will be an increased interval between clinically required surgeries. Data from this trial could be available as early as 2002.

“Currently the only treatment available for RRP is surgery,” said John R. Neefe, M.D., Vice President, Clinical Research and Regulatory Affairs for Stressgen Biotechnologies. “There are no approved drugs or immunotherapies. The average pediatric patient has about five surgeries per year and some children tragically have hundreds of procedures in their lifetimes.”

“Despite the best that current medicine has to offer, the papillomas recur relentlessly and the condition of the disease can be grueling and prolonged,” said Daniel L. Kopolinski, President and Chief Executive Officer of Stressgen Biotechnologies. “There is a tremendous need for new treatment options in this population. Because HspE7 has demonstrated activity in other conditions caused by the HPV subtypes 6 and 11 associated with RRP, it is very important to test HspE7 in this disease. Considering HspE7’s orphan drug status in this indication, RRP may provide the shortest route to market for Stressgen.”

Stressgen Initiates Phase II Recurrent Respiratory Papillomatosis Trial in Children

Scientists believe HspE7 works by stimulating the cell-mediated portion of the immune system. Currently studies are underway in the treatment of anal and cervical dysplasia and genital warts. In a preliminary report in anal dysplasia patients, over 70% of these individuals converted from high grade to low grade lesions within six months of treatment. In a retrospective study of genital warts, over 90% of the patients showed complete or partial response at 24 weeks. RRP is caused by the same HPV subtypes 6 and 11 that are the most common cause of genital warts.

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, including statements regarding the timing of the Company's clinical trials and its ability to bring therapeutics to market. Factors that may cause the ultimate results or our performance to be materially different from those implied by such statements include risks that products that appeared promising in early research do not demonstrate safety or efficacy in larger-scale clinical trials, that the company will not obtain approval to market its products, and that it will be difficult to progress from research to commercialization. These factors and others are more fully discussed in our quarterly reports on Form 10-Q and other filings with Canadian securities regulatory authorities and the U.S. Securities and Exchange Commission.

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