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STRESSGEN ANNOUNCES ISSUANCE OF U.S. PATENT SOLIDIFYING ITS HEAT SHOCK PROTEIN-BASED TECHNOLOGY PLATFORM

Fusion Patent Relates to Heat Shock Proteins and Methods of Modulating a Patient's Immune Response to Treat Diseases

FOR IMMEDIATE RELEASE

January 4, 2002

San Diego, California USA – Stressgen Biotechnologies Corporation (TSE:SSB) announced today that the U.S. Patent and Trademark Office had issued Patent Number 6,335,183, for which the Company has an exclusive worldwide license from the Whitehead Institute for Biomedical Research. The patent grants exclusivity for the method of inducing or enhancing an immune response in a patient by administering a pharmaceutical composition comprising a “fusion protein,” a stress protein joined to a viral, cancer or HIV antigen administered for the purpose of generating an antigen-specific immune response.

“The pre-GATT 17-year exclusivity of this patent will help ensure that our technology for developing heat shock protein fusions to treat viral diseases and cancers will remain proprietary. This is just the first of several patents on our platform technology that we believe will issue during 2002,” said Daniel L. Kopolinski, President and Chief Executive Officer of Stressgen Biotechnologies Corporation. “Stressgen and any potential partner should be able to capitalize upon patent exclusivity through 2019 in marketing our fusion candidate for the treatment of human papillomavirus (HPV), which is currently in phase III clinical trials, our fusion candidate for hepatitis B virus, which is currently in early preclinical development, and our fusion candidates for additional diseases including herpes simplex virus and HIV.”

“The goal of every biotechnology company is to have the exclusive right to market a compound such as our heat shock protein fusion candidate, HspE7. The recently announced clinical data for HspE7 suggest the immunotherapeutic will be a broad spectrum treatment for HPV-related genital warts and dysplasias with outstanding safety, efficacy and durability of treatment effect,” said John R. Neefe, M.D., Vice President of Clinical Research and Regulatory Affairs for Stressgen.

“The need for more effective therapies for infectious diseases and cancers has prompted researchers to explore how our own immune system’s powerful capabilities can be harnessed to fight the major diseases of mankind,” said Richard A. Young, Ph.D., Member, Whitehead Institute of Biomedical Research and professor of Biology at the Massachusetts Institute of Technology. “I am excited that the discovery of heat shock proteins and fusions as powerful stimulants of the immune system have evolved to opportunities for new innovative therapeutic interventions.”

About Stressgen Biotechnologies

Stressgen is a public biopharmaceutical company focused on the development and commercialization of innovative stress protein-based ‘fusion’ immunotherapeutics. The Company is developing a broad range of products for the treatment of viral infections and related cancers. In addition to developing HspE7 for 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 ‘fusion’ technology in the treatment of the herpes simplex virus and HIV. Stressgen is also an internationally recognized commercial 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 HPV, one of the most common sexually transmitted diseases, estimated to infect approximately 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 forward-looking statements that involve risks and uncertainties, including statements regarding the expected issuance of patents, potential uses for the Company’s product candidates and the Company’s 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 complexities in the patent issuance process, risks that the Company will not obtain approval to market its products, and our dependence on collaborative partners. 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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