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STRESSGEN BIOTECHNOLOGIES ANNOUNCES 2001 FINANCIAL RESULTS

Company Significantly Advanced HspE7 Toward Commercialization

FOR IMMEDIATE RELEASE

February 12, 2002

San Diego, California, USA - Stressgen Biotechnologies Corporation (TSE: SSB) today announced financial results for the fourth quarter and year ended December 31, 2001. All amounts, unless specified otherwise, are in Canadian dollars.

Stressgen reported a net loss of \$35,939,000, or \$0.70 per share, for the year ended December 31, 2001, compared to a net loss of \$25,407,000, or \$0.63 per share, for the year ended December 31, 2000. For the quarter ended December 31, 2001, the Company reported a net loss of \$11,308,000 or \$0.22 per share, compared to a net loss of \$11,079,000, or \$0.23 per share, for the same period in 2000. The Company had cash and short-term investments of \$62,682,000 at December 31, 2001, and used net cash of \$36,952,000 in its operating activities during the year.

“We enter 2002 with a strong cash position that will allow us to advance the commercial development of HspE7, the Company’s broad-spectrum therapeutic candidate for HPV-related diseases,” said Donald D. Tartre, Stressgen’s Vice President and Chief Financial Officer. “Our planned 2002 activities include progression of the Company’s phase III anal dysplasia studies, long-term follow up of genital warts and anal dysplasia patients previously treated with HspE7 in a phase II study, and continuing phase II enrollment of children treated for the orphan drug indication of recurrent respiratory papillomatosis, which is essentially genital warts of the upper airways.”

Stressgen’s 2001 highlights

- Completed patient enrollment in HspE7 phase III study in anal dysplasia.
- Reported that 76% of phase II anal dysplasia patients showed pathological downgrade of their disease six months after beginning HspE7 treatment, indicating that HspE7 could potentially eliminate the need for surgery.

- 55% of these patients were in complete remission at 15 months.
- 67% of these patients showed pathological downgrade at three months.
- 73% of these patients who also had genital warts achieved complete remission of genital warts at 18 months, indicating durable, broad-spectrum efficacy of HspE7.
- Raised \$27,800,000 from public offering of common stock made through a syndicate of underwriters co-led by Raymond James Ltd. and BMO Nesbitt Burns Inc., and including Yorkton Securities Inc.
- Appointed Donald D. Tartre as Vice President and CFO, and Joann L. Data, M.D., Ph.D. to the Board of Directors.
- Grew sales of profitable reagent business by 30% to \$5,419,000.

Conference Call

Stressgen will hold its fourth quarter 2001 financial conference call on February 12, 2002 at 4:00 p.m. Eastern Time (1:00 p.m. Pacific Time). The telephone numbers to access the call are 800-360-9865 (North America) and 973-694-6836 (International). A replay of this call will be available from February 12, 2002 at 3:00 p.m. Pacific Time through February 19, 2002. The playback numbers are 800-428-6051 (North America) or 973-709-2089 (International), reservation No. 230248. The Company will retain information about accessing the call on its website at www.stressgen.com through the playback period.

About Stressgen Biotechnologies

Stressgen is a public biopharmaceutical company focused on the discovery, 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 diseases caused by the human papillomavirus (“HPV”), 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 herpes simplex virus and HIV. 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 HPV-related diseases, which are 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 forward-looking statements that involve risks and uncertainties. Such forward-looking statements include statements regarding the Company's commercial development plans and anticipated 2002 activities. Factors that may cause the ultimate results to differ materially from those implied by such statements include our needs to develop manufacturing and obtain regulatory approvals of our products. These factors and others are more fully discussed in our 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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(financial information attached)

CONSOLIDATED STATEMENT OF OPERATIONS

(Unaudited)

(Canadian dollars in thousands, except per share amounts)

	Three months ended December 31,		Year ended December 31,	
	2001	2000	2001	2000
Revenue:				
Bioreagent sales	\$1,434	\$1,079	\$5,419	\$4,156
Operating expenses:				
Research and development	10,317	10,178	35,906	23,961
Selling, general and administrative	2,402	2,263	7,782	6,538
Cost of bioreagent sales	419	319	1,573	885
	<u>13,138</u>	<u>12,760</u>	<u>45,261</u>	<u>31,384</u>
Operating loss	<u>(11,704)</u>	<u>(11,681)</u>	<u>(39,842)</u>	<u>(27,228)</u>
Other income (expenses):				
Interest income	310	954	2,507	2,259
Net unrealized foreign exchange gain (loss)	110	(321)	1,502	(306)
Interest expense	(24)	(31)	(106)	(132)
	<u>396</u>	<u>602</u>	<u>3,903</u>	<u>1,821</u>
Net loss	<u>\$(11,308)</u>	<u>\$(11,079)</u>	<u>\$(35,939)</u>	<u>\$(25,407)</u>
Basic and diluted loss per common share	<u>\$(0.22)</u>	<u>\$(0.23)</u>	<u>\$(0.70)</u>	<u>\$(0.63)</u>
Weighted average common shares outstanding (in thousands)	52,247	48,976	51,205	40,621

CONSOLIDATED BALANCE SHEET INFORMATION

(Canadian dollars in thousands)

	December 31,	December 31,
	<u>2001</u>	<u>2000</u>
	(Unaudited)	
Cash and short-term investments	\$ 62,682	\$ 70,567
Total assets	67,789	74,325
Long-term obligations	578	1,036
Stockholders' equity	58,917	65,431