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STRESSGEN BIOTECHNOLOGIES ANNOUNCES FIRST QUARTER 2002 FINANCIAL RESULTS

FOR IMMEDIATE RELEASE

May 2, 2002

San Diego, California USA- Stressgen Biotechnologies Corporation (TSX: SSB) today announced financial results for the quarter ended March 31, 2002. All amounts, unless specified otherwise, are in Canadian dollars. The first quarter net loss of \$10,480,000 or \$0.18 per share, compared to fourth quarter 2001 net loss of \$11,308,000 or \$0.22 per share, and first quarter 2001 net loss of \$9,127,000, or \$0.18 per share. At March 31, 2002, the Company had cash and short-term investments of \$54,786,000; and used net cash of \$7,620,000 in operating activities during the quarter. Based on the first quarter's net loss and considering anticipated proceeds from "in-the-money" warrants expiring in 2003, the Company had approximately 19 months of cash and short-term investments at March 31, 2002, without taking into account any proceeds or corresponding reduction in cash burn anticipated from a future partnering deal.

"We are very pleased with both the advances in our partnering activities and progress of our clinical program for HspE7 during the quarter," said Daniel L. Korpolinski, Stressgen's President and Chief Executive Officer. "Market research data, corroborated through independent sources, suggest HspE7 has blockbuster drug potential. We believe HspE7 holds great promise to become the first marketed immunotherapeutic in the treatment of human papillomavirus, thereby benefiting patients, our shareholders and a future collaborator. We hope to mirror the success of HspE7, and increase our technology pipeline by developing additional immunotherapeutic candidates in the areas of hepatitis B, herpes simplex and HIV, using our global, exclusively-licensed heat shock protein fusion technology."

Conference Call

Stressgen will hold its conference call regarding first quarter 2002 financial results today, May 2, 2002 at 4:00 p.m. Eastern Time (1:00 p.m. Pacific Time). The call-in number to access the call is 800/360-9865 (U.S. and Canada), and 973/694-6836 (internationally). A replay of this call will be available from May 2 at 3:00 p.m. Pacific Time through May 9, 2002 by calling playback number: 800/428-6051 (U.S. and Canada) or 973/709-2089

(internationally), Passcode Number 239286. The live call and a recorded version of the call will also be accessible for seven days on our website, www.stressgen.com.

About Stressgen Biotechnologies Corporation

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 developing HspE7 for HPV-related diseases, the Company 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 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. Stressgen prepares its financial statements in accordance with Canadian Generally Accepted Accounting Principles (GAAP), which conforms, in all material respects, to U.S. GAAP except as set out in the Notes to Consolidated Financial Statements.

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 up 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, including over 1 million cases of genital warts. In addition to genital 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 Company's financial position, partnering and commercial development plans. Factors that may cause the ultimate results to differ materially from those implied by these statements include our needs to develop manufacturing and obtain regulatory approvals of our products. 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 the contents of this news release.

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CONSOLIDATED STATEMENT OF OPERATIONS

(Unaudited)

(Canadian dollars in thousands, except per share amounts)

	Three Months Ended	
	March 31,	
	<u>2002</u>	<u>2001</u>
Revenue:		
Bioreagent sales	\$ <u>1,405</u>	\$ <u>1,440</u>
Operating expenses:		
Research and development	9,283	10,422
Selling, general and administrative	2,295	1,757
Cost of bioreagent sales	<u>396</u>	<u>313</u>
	<u>11,974</u>	<u>12,492</u>
Operating loss	(10,569)	(11,052)
Other income (expenses):		
Interest and other income (loss), net	(9)	966
Net realized foreign exchange gain	119	988
Interest expense	<u>(21)</u>	<u>(29)</u>
	<u>89</u>	<u>1,925</u>
Net loss	\$ <u>(10,480)</u>	\$ <u>(9,127)</u>
Basic and diluted loss per common share	\$ <u>(0.18)</u>	\$ <u>(0.18)</u>
Weighted average common shares outstanding (in thousands)	57,634	49,991

CONSOLIDATED BALANCE SHEET INFORMATION

(Canadian dollars in thousands)

	March 31,	December 31,
	<u>2002</u>	<u>2001</u>
	(Unaudited)	
Cash and short-term investments	\$ 54,786	\$ 62,682
Total assets	59,896	67,789
Long-term obligations	497	578
Stockholders' equity	48,886	58,917
Total shares outstanding (in thousands)	57,720	57,592