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## **COMPANY REVEALS NEW ASPECTS OF MECHANISM OF ACTION FOR HSP E7 AND CONFIRMS IMMUNOSTIMULATORY CAPABILITIES OF PLATFORM TECHNOLOGY FOR HEPATITIS B VIRUS**

FOR IMMEDIATE RELEASE

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**Baltimore, Maryland USA** - Stressgen Biotechnologies Corporation (TSX:SSB) today presented new research results which further validate the Company's mechanism of action for its patented heat shock protein (Hsp) fusion platform technology for the treatment of viral infections and cancer, at the 5th Annual Conference on Vaccine Research.

The three oral presentations and poster reveal that HspE7, now in phase II and III clinical trials for the treatment of the multiple diseases caused by human papillomavirus (HPV), can directly stimulate cells of the immune system, called antigen-presenting cells (APC). These APC, which include highly specialized cells called dendritic cells, are activators of "killer" T cells in the body. These "killer" T cells are thought to be the most potent mechanism by which our immune system destroys virus-infected and cancerous cells.

These data further suggest that fusions created with different heat shock proteins are immunostimulatory. The spectrum of immunostimulation achieved with heat shock protein fusions is thought by scientists to be ideally suited to the development of new immunotherapies for cancer and multiple chronic viral infections, such as hepatitis B, herpes simplex (genital herpes) and human immunodeficiency (HIV) viruses.

The heat shock protein fusion for hepatitis B appears to work by the same mechanism as HspE7, in that immunocompromised (CD4+ T cell deficient) animals still mounted a "killer" T cell response to the hepatitis B antigen. These results, combined with those obtained with HspE7, suggest the potential for all Hsp-antigen fusions to work in immunocompromised patients such as diabetics, transplant patients and HIV patients, whose CD4+ cells may be depleted or significantly impaired.

"The scientific community, as well as Stressgen's prospective partners, have shown great interest in how heat shock protein fusions work," said Marvin I. Siegel, Ph.D., Stressgen's Executive Vice President of Research and Development. "Our work in the

field has identified mechanisms involved in the process, firmly establishing the foundation and the strength of our pipeline. We expect to capitalize on the mechanism of action of heat shock protein fusions to develop molecules to treat major viral diseases such as herpes simplex virus and HIV.”

#### About Hepatitis B Virus (HBV)

Chronic hepatitis B virus infection is a debilitating disease estimated to infect 1.25 million Americans, of which 15-25% will die from chronic liver disease. An estimated 125,000 Americans are newly infected with hepatitis B each year. While anti-viral drugs are used in the therapy of this illness, there are common drawbacks including virus drug resistance or toxicity. An immunotherapeutic, which induces systemic immunity to HBV, may address a long-standing medical need in the treatment of chronic HBV infection.

#### About Stressgen Biotechnologies

Stressgen is a public biopharmaceutical company focused on the discovery, 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 its hepatitis B research program, the Company has initiated research studies to evaluate its heat shock protein ‘fusion’ technology in the treatment of herpes simplex virus and HIV. The product of the Company furthest along in development is HspE7, which is in phase II and phase III clinical trials for the treatment of diseases caused by human papillomavirus. 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.

*This news release contains forward-looking statements that involve risks and uncertainties, including statements regarding discovery, development and commercialization of immunotherapeutics. Factors that may cause the ultimate results or our performance to be materially different from those implied by such statements include risks that the Company will encounter delays in entering into a corporate partnership to support its drug development and difficulties in advancing its products to commercialization. These and other risks 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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