



350-4243 Glanford Ave.
Victoria, BC V8Z 4B9
Tel: 250-744-2811
Fax: 250-744-3331

**STRESSGEN BIOTECHNOLOGIES AND ROCHE ANNOUNCE
GLOBAL DEVELOPMENT AND MARKETING COLLABORATION
VALUED UP TO \$204 MILLION U.S.**

**HspE7 is the Lead Novel Fusion Product in Stressgen's Immunotherapeutic
Pipeline for the Treatment of Human Papillomavirus (HPV)**

FOR IMMEDIATE RELEASE

June 24, 2002

Victoria BC CANADA and San Diego, CA USA - Stressgen Biotechnologies Corporation (TSX:SSB) and Roche announced today that they have entered into a Collaboration Agreement for the co-development and global commercialization of Stressgen's innovative proprietary heat shock protein (Hsp) fusion product candidate. HspE7 is in clinical development for a broad range of human papillomavirus (HPV)-related diseases including cervical and anal dysplasia, precursors to cervical and anal cancer, genital warts and recurrent respiratory papillomatosis (RRP), essentially genital warts of the upper airways, for which the Company has received orphan drug designation. All amounts, unless specified otherwise, are in U.S. dollars.

Under the terms of the agreement with Stressgen, Roche will have the worldwide exclusive right to market and sell the HspE7 product and Stressgen will have the right to co-promote the product in the U.S. to certain physician specialties. In addition to an equity investment of \$5 million, Roche will pay Stressgen upfront fee and milestone payments, totaling up to \$200 million if all development and commercial milestones are achieved, and sales-based payments.

"Roche has a long tradition in successfully developing and commercializing anti-viral drugs, alone or in partnership with other companies. Through this agreement, we will strengthen our leadership in this important therapeutic area, and we are looking forward to, together with Stressgen, developing a promising drug which will bring a major treatment advance to patients suffering from HPV," said William M. Burns, Head of Roche's Pharmaceuticals Division.

“We are delighted to partner with Roche, a company that has established a clear leadership position in the diagnosis and treatment of HPV, as well as other serious and chronic viral diseases,” said Daniel L. Kopolinski, President and Chief Executive Officer of Stressgen. “This alliance with Roche validates Stressgen’s achievements to date in the clinic with HspE7, and provides us with an outstanding commercial partner for potential marketing of the first Hsp fusion product for HPV. We expect to build on the success of HspE7, and increase our technology pipeline by developing additional Hsp fusion candidates in the areas of hepatitis B, herpes simplex and HIV viruses.”

Further financial terms were not disclosed. A joint decision-making governance structure has been established with equal representation from both organizations to oversee and guide the future development of HspE7. The terms of the collaboration agreement are subject to the United States Federal Trade Commission (FTC) approval.

HspE7 is in Phase II and Phase III clinical trials for RRP and anal dysplasia. The total market for genital warts, RRP, anal dysplasia and cervical dysplasia represents over one million new patients a year in the U.S. Applying the same proprietary heat shock protein fusion technology that led to the discovery of HspE7, the Company is also advancing a pipeline of novel immunotherapeutics for other serious and chronic viral diseases.

About HPV

HPV infection is one of the most prevalent sexually transmitted diseases, and it is estimated that there are approximately 5.5 million new cases of genital HPV infections each year in the U.S. alone. HPV infection can also cause recurrent respiratory papillomatosis, a wart infection of the upper airways, and cervical and anal dysplasias, potentially leading to development of cancer.

About Roche

Headquartered in Basel, Switzerland, Roche is one of the world's leading research-oriented healthcare groups in the fields of pharmaceuticals, diagnostics and vitamins. Roche's products and services address prevention, diagnosis and treatment of diseases, thus enhancing well-being and quality of life. Roche sells its products in over 170 countries. Research at Roche focuses on significant unmet medical needs in the management of diseases of the central nervous system and genitourinary tract, metabolic disorders, inflammation, bone diseases, cancer, vascular diseases and virology.

About Stressgen Biotechnologies Corporation

Stressgen is a public biopharmaceutical company focused on the discovery, development and commercialization of innovative heat shock protein (Hsp) 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 diseases caused by HPV, Stressgen has a program to evaluate Hsp fusions in hepatitis B and has initiated research studies to evaluate its Hsp fusion technology in the treatment of herpes simplex 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 diseases caused by HPV, one of the most common sexually transmitted diseases, estimated to infect over 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 and recurrent respiratory papillomatosis, essentially genital warts of the upper airways, genital HPV infection can cause cervical cancer and a variety of precancerous conditions, including anal and cervical dysplasia.

This press release contains "forward-looking" statements relating to future payments and the development and commercialisation of HspE7 and other Hsp fusion drug candidates. Such statements include the words "expects," "could," "believes" and words of similar import. These statements are subject to risks and uncertainties, including the need of Stressgen and Roche to manage an intricate working relationship and the risks and uncertainties inherent in pharmaceutical development and regulatory review process. More details about this and other risks are set forth in reports filed by Stressgen and Roche with applicable securities regulatory authorities, including Stressgen's Quarterly Report on Form 10-Q for the quarter ended March 31, 2002. Stressgen and Roche are not under and expressly disclaim any obligation to update forward-looking statements.

-30-

Stressgen Contacts:

Donna Slade
Director, Investor Relations
10241 Wateridge Circle, Ste. C200
San Diego, CA USA 92121
Tel: 858/202-4900
Dir: 858/202-4945
Fax: 858/450-6849
dslade@stressgen.com

Jennifer Matterson
Communications Coordinator
350-4243 Glanford Avenue
Victoria, BC CANADA V8Z 4B9
Tel: 250/744-2811
Fax: 250/744-3331
jmatterson@stressgen.com

Roche Contacts:

Jacqueline Wallach
Media Spokesperson
Roche Basel, Switzerland
Tel: 41 61 688-88-88
Fax: 41 61 688-27-75
jacqueline.wallach@roche.com

Martin McNally
National Manager
Governmental Relations &
Corporation Communications
Roche Canada
Cell: 416/721-1130
Offc: 905/542-5725
martin.mcinnally@roche.com

###