



6055 Lusk Boulevard
San Diego, CA 92121
Tel: 858 202-4900
Fax: 858 450-6849

STRESSGEN OBTAINS SECURITYHOLDER APPROVAL FOR CORPORATE TRANSACTION

-- Company to Receive Up to \$9.25 Million in Non-Dilutive Funding --

FOR IMMEDIATE RELEASE

March 16, 2006

Victoria, British Columbia CANADA and San Diego, California USA – Stressgen Biotechnologies Corporation (TSX:SSB) (“Stressgen”) announced today that the corporate reorganization involving Stressgen and 0747036 B.C. Ltd. (“Investor”), an affiliate of Madison Group, a diversified investment firm, has been approved by Stressgen’s securityholders. The transaction was previously announced on January 30, 2006.

Following completion of the transaction, Newco (which will then be named “Stressgen Biotechnologies Corporation”) will continue to carry on the business currently carried on by Stressgen, but will have the benefit of up to an additional \$9.25 million non-dilutive capital. The current board and management of Stressgen will carry on in the same capacity with Newco. In addition, as part of the reorganization, Newco will retain Stressgen’s current listing and stock symbol (SSB) on the Toronto Stock Exchange (TSX).

Upon completion of the transaction, the Investor will rename the existing Stressgen entity “GVIC Publications Ltd.” (“GVIC Publications”), elect a new board of directors and seek fresh capital and new business opportunities. The Investor will hold a 94.9 percent equity interest in, and current Stressgen shareholders will hold a 5.1 percent equity interest in, GVIC Publications.

The closing of the corporate transaction remains subject to the satisfaction of certain conditions precedent, including receipt of court and regulatory approvals. Provided that all of the conditions precedent are satisfied or waived by the appropriate parties, Stressgen currently anticipates completing the transaction on or about March 23, 2006.

About Stressgen Biotechnologies Corporation:

Stressgen is developing innovative therapeutics for the treatment of viral infections, with a focus on diseases caused by the human papillomavirus (HPV). The corporation is publicly traded on the Toronto Stock Exchange under the symbol SSB. For more information about Stressgen, please visit the website located at www.stressgen.com.

This press release contains forward-looking statements regarding a corporate reorganization, by way of a plan of arrangement, and development of our HspE7 program. Actual results could be materially different from those implied by these forward-looking statements due to factors over which we have limited control, including but not limited to the risk that the reorganization may not be consummated, for any number of reasons, including the failure to obtain necessary court approvals or the failure to satisfy all of the closing conditions, our ability to continue as a going concern, our ability to enter into corporate partnering relationships (and the effects and terms of those relationships), difficulties inherent in the manufacture of commercial-grade clinical supplies, our ability to meet regulatory approval requirements, the development of our potential products, including HspE7, not proceeding as planned, clinical trial uncertainties, the risk that, if successfully developed, HspE7 may not be commercially successful and the effect of our limited cash resources. Please refer to our filings with Canadian securities regulators for more information on these and other applicable risks. We assume no obligation and expressly disclaim any duty to update any forward-looking statement to reflect events or circumstances after the date of this news release or to reflect the occurrence of subsequent events.

Stressgen Contact:

Donna Slade

Director, Investor Relations

6055 Lusk Boulevard

San Diego, CA USA 92121

Tel: 858/202-4900

Dir: 858/202-4945

Fax: 858/450-6849

dslade@stressgen.com