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STRESSGEN BIOTECHNOLOGIES ANNOUNCES 2005 FINANCIAL RESULTS

-- Successful Initiatives Implemented in 2005 Strengthen the Company --

FOR IMMEDIATE RELEASE

March 22, 2006

San Diego, California USA - Stressgen Biotechnologies Corporation (TSX: SSB) announced today financial results for the year ended December 31, 2005. All amounts, unless specified otherwise, are in Canadian dollars.

For the year ended December 31, 2005, the Company reported a net loss from continuing operations of \$27.1 million, or \$0.37 (US\$0.31) per share, compared to a net loss from continuing operations of \$31.8 million, or \$0.44 (US\$0.34) per share for the year ended December 31, 2004. The Company had cash and short-term investments of \$4.4 million at December 31, 2005. In January 2006, the Company entered into an agreement to reorganize and receive up to \$9.25 million in non-dilutive funding.

STRESSGEN HIGHLIGHTS

Corporate and Finance:

- Appointed Gregory M. McKee as the new President, Chief Executive Officer and Director.
- Received approximately \$8.72 million from sale of bioreagent business.
- Implemented two restructurings to focus corporate resources on the advancement of HspE7, lowering burn rate and decreasing operational overhead.
- Completed equity financings totaling gross proceeds of \$3.6 million.
- Entered into an agreement to reorganize and receive up to \$9.25 million in non-dilutive funding.

Clinical:

- Showed higher than expected complete responses with HspE7 among women with high grade cervical dysplasia.

Intellectual Property:

- Granted U.S. patent covering therapeutic products to treat Hepatitis B virus.
- Granted U.S. patent covering new methods of manufacturing HspE7.

- Defeated Antigenics' challenge to European patent, a decision that has been subsequently appealed by Antigenics.

Manufacturing:

- Completed manufacture of commercial grade HspE7.

“We have made substantial progress in re-invigorating the Company in 2005,” commented Gregory M. McKee, President and Chief Executive Officer at Stressgen. “All of the milestones completed in 2005 have strengthened the foundation to support the continued development of HspE7 for human papillomavirus (HPV)-related indications.”

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.

About HspE7, Lead Product Candidate:

HspE7 is a novel CoVal™ fusion therapeutic vaccine for the treatment of diseases caused by the human papillomavirus (HPV), one of the most common causes of sexually transmitted diseases in the world. An estimated 80 percent of sexually active men and women are infected by genital HPV at some point in their lives. Approximately 5.5 million new sexually transmitted HPV infections are reported in the U.S. each year. At least 20 million people in the U.S. are already infected. HPV infection can result in diseases including internal and external genital warts and precancerous conditions, such as cervical and anal dysplasia. Precancerous HPV-related conditions can progress into life-threatening diseases, including cervical, anal, and head and neck cancers.

For more information about Stressgen, please visit the Company's 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 the 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.

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(financial information attached)

CONSOLIDATED STATEMENT OF OPERATIONS

(Canadian dollars in thousands, except per share amounts)

	Years ended December 31,	
	2005	2004
Revenue:		
Collaborative R&D revenue	\$ 645	\$ 700
Operating expenses:		
Research and development	20,766	25,913
Selling, general and administrative	5,891	6,247
Restructuring	1,370	-
	28,027	32,160
Operating loss	(27,382)	(31,460)
Other income (expenses):		
Interest income	1,092	777
Net foreign exchange loss	(560)	(938)
Interest expense	(37)	(96)
	495	(257)
Net loss from continuing operations before tax expense	(26,887)	(31,717)
Income tax expense, net	(187)	(128)
Net loss from continuing operations	(27,074)	(31,845)
Net income from discontinued operations	7,460	1,580
Net loss	\$ (19,614)	\$ (30,265)
Basic and diluted loss per common share:		
From continuing operations	\$ (0.37)	\$ (0.44)
From discontinued operations	0.10	0.02
	\$ (0.27)	\$ (0.42)
Weighted average common shares outstanding (in thousands)	73,928	72,504

CONSOLIDATED BALANCE SHEET INFORMATION

(Canadian dollars in thousands)

	December 31, 2005	December 31, 2004
Cash and short-term investments, continuing operations	\$ 4,361	\$ 21,578
Cash and short-term investments, discontinued operations	-	1,066
Total assets, continuing operations	7,598	27,727
Total assets, discontinued operations	-	2,447
Long-term notes payable, continuing operations	-	145
Stockholders' equity, continuing operations	3,521	19,551
Total shares outstanding (in thousands)	83,036	72,506