



**FOR IMMEDIATE RELEASE**

**TSX-V: PGA**

## **PACGEN INITIATES A PHASE IIb CLINICAL TRIAL FOR PAC-113**

**Vancouver, BC, Canada** (November 19, 2007) – Pacgen Biopharmaceuticals Corporation (“Pacgen”) (TSX-V: PGA) has initiated a Phase IIb dose-ranging clinical trial for an optimized formulation of PAC-113, a novel treatment for oral Candidiasis infection. This study will be a randomized, examiner-blinded, parallel design trial comparing three different doses of PAC-113 to Nystatin. Nystatin is a widely used, topical mouth rinse treatment for oral Candidiasis.

In in-vitro assays of Candida cell killing conducted in a blinded manner by an external laboratory, the optimized formulation demonstrated several orders of magnitude greater Candida cell killing as compared to the PAC-113 formulation used in the previous Phase I/II study. Final results from this previous Phase I/II trial showed the per protocol PAC-113 treated group had a complete clinical cure rate of 44%, comparable to the per protocol Nystatin treated group at 40%. Results confirm that PAC-113 was generally safe, well tolerated, and active in the treatment of oral Candida infection. Pacgen believes the optimized formulation of PAC-113 will show superior clinical efficacy as compared both to the prior PAC-113 formulation and to Nystatin.

This Phase IIb study, expected to be completed in Q2 2008, will enroll approximately 200 seropositive HIV patients with oral Candidiasis in a number of US and South African centers.

### **About PAC-113**

PAC-113 is a 12 amino-acid antimicrobial peptide derived from a naturally occurring histatin protein found in human saliva. This peptide alters the permeability of fungal cell membranes causing cell death. In addition, PAC-113 also interacts with fungal mitochondria causing production of reactive oxygen species that lead to fungal cell destruction. PAC-113 is formulated as a pleasant tasting, sugar-free mouth rinse.

### **About Candida Infection**

*Candida albicans* is the most common fungal pathogen among immune-compromised, hospitalized patients, accounting for roughly 50-60% of all bloodstream fungal isolates. Opportunistic growth of *Candida* can be life-threatening if not treated.

Oropharyngeal Candidiasis, also referred to as "thrush", is a local infection seen in patients treated with antibiotics or steroids, chemotherapy, or radiation therapy to the head and neck, and those with cellular immune deficiency states, such as HIV and AIDS. Patients with xerostomia and those treated with inhaled corticosteroids for asthma or rhinitis are also at risk. Oropharyngeal Candidiasis infection can cause great discomfort, and if not treated, can spread from the primary site of infection through the blood stream to cause a disseminated infection. Disseminated fungal infections are associated with a high mortality rate. Current treatments for *Candida* infections may not be entirely effective in eliminating the infection, can have serious side effects and potential for drug interaction, and/or do not prevent the development of drug-resistant fungal infection.

-more-

The demand for effective anti-fungals is driven by a rising incidence of immunocompromised patient populations including individuals with HIV, cancer, asthma and diabetes, among others. In 2004, global sales of topical anti-fungal drugs represented nearly a US \$1.6 billion dollar market, and it is projected to grow to US \$2.1 billion by 2009. Pacgen estimates that the current worldwide market opportunity for a novel, safe and effective, oral Candidiasis therapy is approximately US \$250 million.

### **About Pacgen**

Pacgen is a life sciences company focused on the development of therapeutics for the treatment of infectious and inflammatory diseases. The Company's lead product, PAC-113, is an anti-fungal in a Phase II clinical program. Pacgen also has candidates in several earlier stage programs. The most advanced of these candidates is a protein therapeutic, PAC-G31P, which is currently being investigated in preclinical studies for its potential to treat inflammatory diseases such as acute respiratory distress syndrome. For additional information, please visit [www.pacgenbiopharm.com](http://www.pacgenbiopharm.com).

**NO REGULATORY AUTHORITY HAS APPROVED OR DISAPPROVED THE CONTENT OF THIS RELEASE. THE TSX VENTURE EXCHANGE DOES NOT ACCEPT RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THIS RELEASE.**

### **Forward looking Statements**

Certain statements included in this press release may be considered forward-looking. Statements relating to, among other things, anticipated financial performance, business prospects, strategies, regulatory developments, market acceptance and future commitments constitute forward-looking statements. Such statements involve known and unknown risks, uncertainties and other factors that may cause actual results, level of activity, performance or achievements to be materially different from those implied by such statements, and therefore these statements should not be read as guarantees of future performance or results. Such factors include, among others, our stage of development, lack of product revenues, additional capital requirements, risk associated with completion of clinical trials and obtaining regulatory approval, dependence on collaborate partners, and our ability to protect our intellectual property. Wherever possible, words such as "anticipate", "believe", "expect", "may", "could", "will", "potential", "intend", "estimate", "should", "plan", "predict", "project" or the negative or other variations of such expressions reflect Pacgen's current beliefs and assumptions and are based on the information currently available to Pacgen. Certain risks and uncertainties, including those risk factors identified by Pacgen in its annual information form dated August 1, 2007, may cause our actual results, level of activity, performance or achievements to differ materially from those implied by forward looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which are made only as of the date of this press release. Pacgen disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. For all forward-looking statements, Pacgen claims the safe harbour for forward-looking statements within the meaning of the Private Securities Legislation Reform Act of 1995.

-30-

For further information contact:

Christina Yip

CFO

Tel: 604-629-3383

Email: [cyip@pacgenbiopharm.com](mailto:cyip@pacgenbiopharm.com)

Carol Shafer

Manager, Investor Relations

Tel: 604-629-3380

Email: [cshafer@pacgenbiopharm.com](mailto:cshafer@pacgenbiopharm.com)