



FOR IMMEDIATE RELEASE

TSX-V: PGA

PACGEN ANNOUNCES POSITIVE RESULTS FROM PHASE IIb DOSE-RANGING TRIAL OF PAC-113

Vancouver, BC, Canada (June 5, 2008) – Pacgen Biopharmaceuticals Corporation (“Pacgen”) (TSX-V: PGA) today announced positive results from its Phase IIb dose-ranging trial of PAC-113, a novel anti-fungal drug candidate. The results demonstrated that PAC-113 is effective in the treatment of oral Candidiasis and compares favourably to the efficacy demonstrated by Nystatin, a current standard of care.

PAC-113 is a peptide-based anti-fungal targeting oral Candida infections in immunocompromised patients. The Phase IIb dose-ranging clinical trial was a randomized, examiner-blinded, four arm, parallel design trial comparing three different doses of PAC-113 to Nystatin, consisting of 2 week treatment phase and 2 week post-treatment/follow up phase. Nystatin is a widely used, prescription topical mouth rinse treatment for oral Candidiasis.

The dose-ranging trial involved 223 seropositive HIV patients with oral Candidiasis, and was conducted at sites in the United States and South Africa. The objectives of the trial were to identify an optimal dose of PAC-113 from among the three doses studied, and to determine the relative efficacy of this PAC-113 dose as compared to Nystatin in eliminating clinical signs and symptoms of oral Candidiasis. Additionally, safety and tolerance and the microbiological response of *Candida albicans* to treatment were also measured.

The optimal dose of PAC-113 demonstrated a 34% increase in the primary endpoint efficacy level (complete clinical cure rate at Day 19) for the Per Protocol analysis as compared to Nystatin, and a 50% increase in the corresponding Intent to Treat analysis. Secondary efficacy endpoints showed similar trends among the three PAC-113 doses and the Nystatin group. Results also confirmed that PAC-113 was generally safe and well-tolerated. The Company expects to present the detailed results of the study later this year at a medical society conference.

“Though this trial was not powered to demonstrate statistically significant efficacy superiority vs. Nystatin, we are very pleased that these clinical results showed a strong trend in this regard for the optimal dose of PAC-113.” said Duffy DuFresne, President & CEO of Pacgen. “With this data now in hand, Pacgen will begin preparing for Phase III development and seek collaboration and commercialization partner for this novel anti-fungal drug candidate.” added Mr. DuFresne.

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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.

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 an early stage research program. The most advanced of these candidates is a novel peptide therapeutic, PAC-G31P, which is currently being investigated in preclinical studies for its potential to treat inflammatory diseases characterized by non-beneficial neutrophil recruitment and activation. For additional information, please visit www.pacgenbiopharm.com.

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