



FOR IMMEDIATE RELEASE

TSX-V: PGA

PACGEN TERMINATES LETTER OF INTENT WITH MEDIGEN

Vancouver, BC, Canada (December 29, 2008) – Pacgen Biopharmaceuticals Corporation (“Pacgen” or the “Company”) (TSX-V: PGA) announced today that Pacgen and Medigen Biotechnology Corp. (“Medigen”) have mutually agreed to terminate their letter of intent for a business combination of the two companies.

In accordance with the letter of intent signed in October 2008, the closing of the proposed business combination was subject to certain terms and conditions, including obtaining necessary approvals to enter into a definitive agreement. The parties determined that, in a share for share exchange transaction, the regulatory requirements in Taiwan would require an issuer to redeem dissenting shareholder interests for cash. Both parties anticipate that this requirement would negatively affect the liquidity and capital resources of the combined company, and that the proposed merger would be a significant undertaking given current financial market conditions. As a result, both parties have mutually elected not to proceed with the signing of a definitive agreement.

“We are disappointed that the merger is not completed as planned despite the strong intention of both parties,” said Chung-Yu Wang, Chairman and interim President and CEO of Pacgen. “Pacgen will review all strategic alternatives in light of this development,” added Mr. Wang. “Medigen shares the same disappointment and appreciate the diligence efforts by both teams in the proposed merger,” said Dr. Stanley Chang.

About Pacgen

Pacgen is a life sciences company focused on the development of therapeutics for the treatment of infectious and inflammatory diseases. Pacgen’s current development efforts are focused on PAC-113, an anti-fungal for the treatment of oral candidiasis and PAC-G31P, a novel peptide therapeutic designed to treat inflammatory diseases characterized by non-beneficial neutrophil.

PAC-113 is a 12 amino-acid antimicrobial peptide derived from a naturally occurring histatin protein found in saliva. This peptide alters the permeability of fungal cell membranes causing cell death. In June 2008, Pacgen announced positive results from its Phase IIb clinical trial demonstrating 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-G31P is a small recombinant protein that is a synthetic analogue of the human cytokine called Interleukin-8 which is the key chemokine involved in neutrophil recruitment. PAC-G31P is currently being investigated in preclinical studies for its potential to treat

inflammatory diseases characterized by non-beneficial neutrophil. For additional information, please visit www.pacgenbiopharm.com.

About Medigen

Medigen is a biotechnology company focused on the development of biopharmaceuticals for liver diseases and cancers in particular. The common shares of Medigen are traded over the bulletin board in Taiwan. With a core competence of molecular biology and clinical trial developments, Medigen has established two platforms: New Drug Development (NDD), and Nucleic Acid Testing (NAT). Medigen's NDD development pipeline contains several planned therapeutic projects that will target various stages of liver cancer. Medigen believes that the NAT platform will allow it to become one of the global leaders in the field of molecular diagnostics. With the successful launch of Medigen's first FDA and CE Mark approved NAT product (HLA kits for A, B, C, DR, and DQ) to the global market, Medigen is further integrating automated solutions to pathogen detection in blood banks and clinical units in China and other developing countries in Asia. For additional information, please visit www.medigen.com.tw.

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. All forward-looking statements are based on Pacgen's current beliefs and expectations as well as assumptions relating to the successful completion of its clinical trials and pre-clinical studies, the time and process required to obtain regulatory approval for commercialization of its product, the ability of Pacgen to raise additional capital in future on favourable terms, the impact of competitive products and pricing in the market, new product development, and the successful and timely completion of corporate collaborations or licensing arrangements for its research programs. 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 collaborative 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 July 31, 2008, 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

Chief Financial Officer

Tel: 604-629-3383

Email: cyip@pacgenbiopharm.com