



FOR IMMEDIATE RELEASE

TSX-V: PGA

PACGEN ANNOUNCES FIRST CLOSING OF PRIVATE PLACEMENT FINANCING

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Vancouver, BC, Canada (February 3, 2009) – Pacgen Biopharmaceuticals Corporation (“Pacgen” or the “Company”) (TSX-V: PGA) announced today that it has closed the first tranche of its previously announced non-brokered private placement of convertible debentures in an aggregate principal amount of up to approximately C\$610,000 (the “Offering”). The gross proceeds for the first tranche of the Offering total an aggregate principal amount of C\$364,500. Further details regarding the terms of the Offering can be found in the Company’s news release dated January 30, 2009.

The convertible debentures and the securities issuable upon conversion of the convertible debentures will be subject to a four month hold period that expires on June 4, 2009 pursuant to the policies of the TSX Venture Exchange and Canadian securities legislation.

The proceeds of the Offering will be used by the Company for working capital to support business development activities and for general corporate purposes.

Insiders of the Company participated in the first closing of the Offering for an aggregate principal amount of C\$243,000, constituting two-thirds of the first tranche of the Offering.

This press release does not constitute an offer to sell or a solicitation of an offer to sell any of the securities in the United States. The securities have not been and will not be registered under the U.S. Securities Act of 1933 or any state securities laws and may not be offered or sold within the United States unless registered under the U.S. Securities Act of 1933 and applicable state securities laws or an exemption from such registration is available.

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.

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Forward looking Statements

Certain statements included in this press release may be considered forward-looking. Statements relating to, among other things, the Offering, 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 the Offering. 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, market conditions, 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.

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