



FOR IMMEDIATE RELEASE

TSX-V: PGA

PACGEN SIGNS SHARE PURCHASE AGREEMENT TO ACQUIRE XPHASE PHARMACEUTICALS

Vancouver, BC, Canada (June 8, 2009) – Pacgen Biopharmaceuticals Corporation (“Pacgen” or the “Company”) (TSX-V: PGA) announced today that it has signed a share purchase agreement (“the Acquisition Agreement”) with the shareholders of Xphase Pharmaceuticals Inc. (“Xphase”), as contemplated in Pacgen’s press release dated April 28, 2009. The acquisition is expected to close upon the satisfaction of customary closing conditions, including the approval of the TSX Venture Exchange.

Pursuant to the Acquisition Agreement, Pacgen agrees to issue 3 million common shares of Pacgen to Xphase shareholders in exchange for 100% ownership of Xphase as well as management services of Xphase principals. Upon the achievement of certain pre-defined business development milestones, Xphase shareholders will be entitled to an additional 3.5 million common shares of Pacgen.

Xphase, a private company incorporated under the laws of Ontario, is a pharmaceutical company focused on the early commercial development of novel therapeutic drug candidates to feed the drying product development pipelines of the global pharmaceuticals industry. Xphase identifies innovative therapeutic drug candidates globally, and develops these candidates up to Phase II human proof of concept, in accordance to the US Food and Drug Administration regulatory standards. Xphase currently has the right to acquire the exclusive global rights, excluding China, of AF-05, a novel anti-anxiety drug candidate. Xphase also provides consulting and project management services to assist small to medium pharmaceutical and biotechnology companies around the world.

Subject to receiving the approvals of TSX Venture Exchange, following the completion of acquisition of Xphase, Pacgen plans to appoint Dr. Y C Lee and Mr. Fred Huang as directors and intends to appoint certain new members of management. Following completion of the acquisition, the board of directors will consist of:

Mr. Chung Yu Wang (also Chairman and interim President)
Mr. Kevin McGarry (lead independent director)
Dr. Alan Moore
Dr. Telvin Ju
Mr. Tsong Chin Lin
Dr. Y C Lee
Mr. Fred Huang

Following completion of the acquisition, the proposed new management team is anticipated to consist of:

Dr. Y C Lee as Chief Executive Officer;
Ms. Christina Yip as Chief Financial Officer;
Dr. Beverly Inledon as Vice President, Research and Development;
Mr. Joel Cheng as Vice President, Business Development;
Dr. Lewis Choi as Vice President, Intellectual Properties and Scientific Affairs;
Mr. Gabriel Lam as Senior Director, Greater China Operations

Mr. Chung Yu Wang will resign as interim CEO and Mr. Fred Huang will resign as Senior Vice President and Chief Operating Officer of Pacgen.

About Pacgen

Pacgen is a publicly traded 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 Xphase

Xphase is a pharmaceutical company focused on the early commercial development of novel therapeutic drug candidates to feed the drying product development pipelines of the global pharmaceuticals industry. Xphase identifies innovative therapeutic drug candidates globally, and develops these candidates up to Phase II human proof of concept, in accordance to the US Food and Drug Administration regulatory standards. Xphase currently has the right to acquire the exclusive global rights, excluding China, of AF-05, a novel anti-anxiety drug candidate. Xphase also provides consulting and project management services to assist small to medium pharmaceutical and biotechnology companies around the world.

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-

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