



For Immediate Release

TSX-V: PGA

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PACGEN ANNOUNCES CLOSING OF ITS INITIAL PUBLIC OFFERING

Vancouver, BC, Canada, December 7, 2006 – **PACGEN Biopharmaceuticals Corporation (TSX-V – “PGA”) (“PACGEN”)** announced today that it has completed an initial closing of 6,788,786 units raising gross proceeds of \$7,128,225 under its prospectus dated November 28, 2006. Each unit is comprised of one common share in the capital of Pacgen and one-half of one non-transferable common share purchase warrant, with each whole warrant entitling the holder to purchase one additional common share at an exercise price of \$1.30 for 12 months from the date of the closing.

Pacgen’s common shares will commence trading as a Tier 1 issuer on the TSX Venture Exchange on Monday, December 11, 2006. The trading symbol is “PGA”. Canaccord Capital Corporation acted as lead agent of a syndicate that also included Jennings Capital Inc.

Pacgen has also granted the selling agents an option to purchase such number of additional units, at a price of \$1.05 per unit, equal to 15% of the total number of units sold under all closings. The option is exercisable, in whole or in part, within 30 days of the date of the initial closing to cover over-allotments, if any.

About PACGEN

PACGEN Biopharmaceuticals Corporation specializes in the development of innovative peptide therapeutics for the prevention and treatment of infectious diseases and immune system regulation diseases where current therapies are inadequate or ineffective. Pacgen’s lead product candidate is PAC-113, a novel antifungal formulated as a topical mouth rinse solution to treat oral candidiasis. PAC-G31P is the Company’s lead product candidate in the area of immune system regulation diseases and is designed to treat inflammatory diseases characterized by non-beneficial neutrophil recruitment. PAC-G31P is currently being developed for inflammatory lung diseases such as acute respiratory distress syndrome (ARDS), asthma, pneumonia and chronic obstructive pulmonary disease (COPD).

Other research and development programs that the Company is considering include PAC-525, an antibacterial drug candidate designed for the treatment of ventilator associated pneumonia and PAC-745, an immune system enhancer peptide with the potential to treat viral diseases such as Hepatitis B and C.

PACGEN is an international life sciences company headquartered in Vancouver, British Columbia, Canada. For additional information, please visit www.pacgenbiopharm.com.

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