**FOR IMMEDIATE RELEASE****TSX-V: PGA**

PACGEN REPORTS THIRD QUARTER FINANCIAL AND OPERATING RESULTS

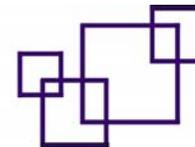
Vancouver, BC, Canada (March 1, 2007) – Pacgen Biopharmaceuticals Corporation (“Pacgen”) (TSX-V: PGA) today reported financial results for the third quarter ended December 31, 2006. Amounts unless specified otherwise, are expressed in Canadian dollars and in accordance with Canadian Generally Accepted Accounting Principles.

Third Quarter Highlights & Achievements:

- During the third quarter, we made significant progress toward the achievement of our corporate goal to establish ourselves in North America as an emerging biotechnology company. Our efforts were concentrated on funding our company, driving our Phase I/II program forward and building a team with solid biopharmaceutical leadership and experience to support our operational and development goals.
- In October 2006, we obtained approval from the Medicine Control Counsel Republic of South Africa to expand recruitment of HIV patients into the PAC-113 Phase I/II clinical trial. As a result of this initiative, we project to complete patient recruitment for this study in the first quarter of calendar year 2007 and report preliminary efficacy results in the second quarter of calendar year 2007.
- In December 2006, we successfully completed an initial public offering (the “IPO”), raising gross proceeds of approximately \$7.1 million. Canaccord Capital Corporation acted as lead agent of a syndicate that also included Jennings Capital Inc. We also listed on the TSX Venture Exchange, as a Tier 1 issuer, and commenced trading our common shares under the trading symbol “PGA” on December 11, 2006.
- More recently we announced the appointment of three world renowned experts in inflammatory diseases, Dr. J. Mark FitzGerald, Dr. William Nauseef, and Dr. Brian Rowe, to our scientific advisory board. Going forward we will continue to build on our team with solid biopharmaceutical leadership and experience.

Financial Results:

For the three months ended December 31, 2006 (“Q3-2007”), we recorded a net loss of \$1,259,293 (\$0.06 per common share), compared to a net loss of \$522,223 (\$0.03 per common share) for the three months ended December 31, 2005 (“Q3-2006”). For the nine months ended December 31, 2006 (“YTD-2007”), we recorded a net loss of \$2,380,281 (\$0.13 per common share), compared to a net loss of \$1,064,817 (\$0.13 per common share) for the same period in the preceding fiscal year (“YTD-2006”). The increase in net loss for each of Q3-2007 and YTD-2007, as compared to the same period in the preceding year, was



largely due to the increased operational expenditures associated with our expanded operations and the adoption of an incentive stock option plan.

During the current fiscal period, we expanded our PAC-113 Phase I/II clinical trial to South Africa, acquired a new pre-clinical program, PAC-G31P, and brought the Company public. We also added new personnel to support our expanded operations. In addition, following the adoption of a new incentive stock option plan, we started recording for stock based compensation in Q3-2007. The total stock based compensation recorded in Q3-2007 was \$414,149.

Research and Development Expenditures

Research and development expenses for Q3-2007 were \$625,221 as compared to \$255,631 for Q3-2006. On a year to date basis, research and development expenses increased to \$1,006,632 for YTD-2007 as compared to \$499,347 for YTD-2006. The increase was primarily due to the clinical development cost associated with the PAC-113 Phase I/II clinical trial which was initiated in the United States in March 2006, and subsequently expanded into South Africa in October 2006. The research cost associated with the newly acquired PAC-G31P program and the adoption of a new stock option plan also contributed to the increased research and development expenditures.

Specifically, we incurred higher consulting fees, patent related expenditures, salaries and benefits, stock-based compensation and pre-clinical research contract cost during the interim periods in the current fiscal year, as compared to same periods in the preceding fiscal year. We also incurred higher clinical development cost as our Phase I/II clinical trial of PAC-113 progressed from clinical trial preparation stage to patient recruitment stage; however, this increase was offset by a decline in drug supply manufacturing costs.

General and Administration Expenditures

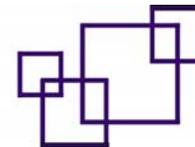
General and administration expenses for Q3-2007 were \$606,762 compared to \$274,499 for Q3-2006. On a year to date basis, general and administration expenses increased to \$1,258,158 for YTD-2007 compared to \$566,335 for YTD-2006. These increases were attributable to the consulting and professional fees associated with the IPO preparation, the added personnel to support the expanded operations, and the stock based compensation following the adoption of our new stock option plan in August 2006.

Amortization

Amortization costs for Q3-2007 were \$60,871 compared to \$3,288 for Q3-2006. On a year to date basis, amortization costs increased to \$183,758 for YTD-2007 compared to \$7,950 for YTD-2006. These increases were primarily due to the technology licenses and rights we obtained from the ILT Acquisition.

Other

We recorded \$17,561 of other income in Q3-2007 compared to \$11,195 in Q3-2006. On a year to date basis, we recorded \$36,267 of other income in YTD-2007 compared to \$8,815 in YTD-2006. These increases in other income were primarily due to the increased interest income generated from the higher cash balances. These increases were offset by higher foreign exchange loss as a result of the weakening Canadian dollar, in comparison to the U.S. dollar, on our U.S. dollar denominated foreign currency transactions.



Liquidity and Share Capital Position

At December 31, 2006, we had available cash reserves comprised of cash and cash equivalents of \$7,451,271 compared to \$727,064 at March 31, 2006.

As of December 31, 2006, we had 30,521,960 common shares issued and outstanding. We also had 7,936,401 common shares issuable upon exercise of outstanding share purchase warrants at a weighted average price of \$1.21 per share, 500,000 common shares issuable upon exercise of outstanding share purchase options at \$2.25 per share, and 1,802,000 common shares issuable upon exercise of outstanding incentive stock options at a weighted average price of \$1.11 per share.

About Pacgen

Pacgen is a life sciences company focused on the development of peptide therapeutics for the treatment of infectious and inflammatory diseases. The Company's lead product, PAC-113, is an antifungal in a phase Ib/IIa clinical trial in the United States and South Africa. Preliminary efficacy data from this study is expected during the second quarter of calendar year 2007. Pacgen also plans to file investigational new drug application or clinical trial application in North America in late 2007 for PAC-G31P which is currently being investigated in pre-clinical studies for its potential to treat inflammatory diseases such as acute respiratory distress syndrome. For additional information, please visit www.pacgenbiopharm.com.

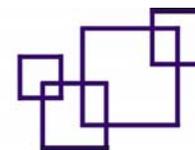
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Forward looking Statements

Certain statements included in this press release may be considered forward-looking. Such statements involve known and unknown risks, uncertainties and other factors that may cause actual results, 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. All forward-looking statements are based on Pacgen's current beliefs as well as assumptions made by and information currently available to Pacgen and relate to, among other things, anticipated financial performance, business prospects, strategies, regulatory developments, market acceptance and future commitments. Readers are cautioned not to place undue reliance on these forward looking statements, which speak only as of the date of this press release. Due to risks and uncertainties, including the risks and uncertainties identified by Pacgen in its Final Prospectus dated November 28, 2006, actual events may differ materially from current expectations. 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.

Contact:

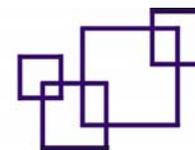
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Pacgen Biopharmaceuticals Corporation
(a development stage enterprise)
Incorporated under the Business Corporations Act (British Columbia)

CONSOLIDATED BALANCE SHEETS
(Unaudited - Expressed in Canadian dollars)

	December 31, 2006 \$	March 31, 2006 \$
ASSETS		
Current		
Cash and cash equivalents	7,451,271	727,064
Amounts receivable	104,451	28,899
Prepaid expenses and other	121,262	49,986
Total current assets	7,676,984	805,949
Deferred acquisition costs	—	20,903
Property and equipment	90,305	35,253
Intangible assets	1,221,497	557,243
	8,988,786	1,419,348
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	562,840	102,051
Future income tax liability	110,000	—
Total liabilities	672,840	102,051
Shareholders' equity		
Share capital		
Issued and outstanding:		
Common shares	12,471,210	2,374,836
Preferred shares	—	1,131,593
Contributed surplus	444,149	30,000
Deficit	(4,599,413)	(2,219,132)
Total shareholders' equity	8,315,946	1,317,297
	8,988,786	1,419,348



Pacgen Biopharmaceuticals Corporation
(a development stage enterprise)

CONSOLIDATED STATEMENTS OF LOSS AND DEFICIT
(Unaudited - Expressed in Canadian dollars)

	For the Three Months Ended December 31		For the Nine Months Ended December 31	
	2006	2005	2006	2005
	\$	\$	\$	\$
EXPENSES				
Research and development	625,221	255,631	1,006,632	499,347
General and administration	606,762	274,499	1,285,158	566,335
Amortization	60,871	3,288	183,758	7,950
Loss from operations	1,292,854	533,418	2,475,548	1,073,632
OTHER				
Interest and other income	21,376	5,311	41,697	13,531
Foreign exchange gain (loss)	(3,815)	5,884	(5,430)	(4,716)
	17,561	11,195	36,267	8,815
Loss before income taxes	(1,275,293)	(522,223)	(2,439,281)	(1,064,817)
Future income tax recovery	16,000	-	59,000	-
Loss for the period	(1,259,293)	(522,223)	(2,380,281)	(1,064,817)
Deficit, beginning of period	(3,340,120)	(1,193,669)	(2,219,132)	(651,075)
Deficit, end of period	(4,599,413)	(1,715,892)	(4,599,413)	(1,715,892)
Basic and diluted loss per common share	(0.06)	(0.03)	(0.13)	(0.13)
Weighted average number of common shares outstanding	21,686,733	15,382,554	19,005,770	8,489,999