PACGEN Biopharmaceuticals Corporation

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

PACGEN ANNOUNCES POSITIVE RESULTS FROM PHASE I/II TRIAL OF NOVEL ANTI-FUNGAL DRUG

Vancouver, BC, Canada (May 7, 2007) – Pacgen Biopharmaceuticals Corporation ("Pacgen") (TSX-V: PGA) is pleased to report that topline results from its Phase I/II study of PAC-113, a novel antifungal, show it is generally safe, well-tolerated, and active in the treatment of oral Candida infection with clinical cure rates comparable to the current standard of care. Based on these results the Company plans to initiate a Phase IIb study to optimize PAC-113 dose and formulation.

"For many immunocompromised patients oral candidiasis can be severe, impacting their ability to get appropriate nutrition. We are very encouraged by the PAC-113 results and its potential to help patients with oral candidiasis, particularly when available treatments have a number of limitations and drawbacks," said Dr. Neil Reiner, Professor and Head of Division of Infectious Diseases, UBC Department of Medicine and Vancouver General Hospital, and a member of Pacgen's Clinical Advisory Board

PAC-113 is a peptide based anti-fungal drug candidate targeting oral Candida infections in immunocompromised patients and patients with salivary dysfunction. The Phase I/II clinical trial of PAC-113 was conducted at sites in the United States and South Africa and recruited over 100 HIV seropositive patients with oral candidiasis.

The objective of this study was to provide safety data for PAC-113, as well as to establish first proof of efficacy for PAC-113 in eliminating clinical signs and symptoms of oral candidiasis. This Phase I/II study was a comparison between PAC-113 mouthrinse and Nystatin oral suspension. The study was a randomized, examiner-blinded, parallel design clinical trial that included a 14-day treatment phase, and a 14-day follow-up period, with a day 28 follow-up visit. Analyses were conducted on patients who were at least 80% compliant in the treatment phase.

Topline results show that 37% of PAC-113 patients were assessed as clinically cured at day 14 compared to 36% of Nystatin patients. Complete or partial responses at day 14 were observed in 95% of PAC-113 patients and 87% of Nystatin patients in the same population. Results also confirm that PAC-113 was generally safe and well-tolerated.

"We are very encouraged with these clinical results and expect that optimization of PAC-113 dose and formulation, as planned in the next Phase II trial, will further enhance clinical efficacy. We believe that these efforts in conjunction with the product's competitive advantages over existing treatments for oral candidiasis make it an excellent drug candidate to take into late stage studies," said Duffy DuFresne, President & CEO of Pacgen.

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About PAC-113
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 addition, PAC-113 also interacts with fungal mitochondria causing production of reactive oxygen species that lead to fungal cell destruction. This activity is unique to histatin proteins.

Current treatments for Candida infections are not effective in eliminating the infection, can have serious side effects, have significant potential for drug interaction, and/or do not prevent the development of drug-resistant fungal infection. PAC-113 is easily administered and well-tolerated by patients as it is formulated as a sugar-free, pleasant tasting, non-viscous mouthrinse with a neutral pH. It also has a prolonged half-life in the saliva giving it the potential to extend the duration of the therapeutic effect, increasing the cure rate and reducing the time to relapse.

About Candida Infection
Candida albicans is the most common fungal pathogen among immune-compromised, hospitalized patients, accounting for roughly 50-60% of all bloodstream fungal isolates. Opportunistic growth of Candida can be life-threatening if not treated.

Oropharyngeal candidiasis, also referred to as "thrush", is a local infection seen in patients treated with antibiotics or steroids, chemotherapy, or radiation therapy to the head and neck, and those with cellular immune deficiency states, such as HIV and AIDS. Patients with xerostomia and those treated with inhaled corticosteroids for asthma or rhinitis are also at risk. Oropharyngeal candidiasis infection can cause great discomfort, and if not treated, can spread from the primary site of infection through the blood stream to cause a disseminated infection. Disseminated fungal infections are associated with a high mortality rate.

The demand for effective anti-fungals is driven by a rising incidence of immunocompromised patients populations including individuals with HIV, cancer, asthma and diabetes, among others. In 2004, global sales of topical anti-fungal drugs represented nearly a US $1.6 billion dollar market, and it is projected to grow to US $2.1 billion by 2009. Pacgen estimates that the current worldwide market opportunity for a novel, safe and effective, oral candidiasis therapy is approximately US $300 million.

About Pacgen
Pacgen is a life sciences company focused on the development of therapeutics for the treatment of infectious and inflammatory diseases. The Company's lead product, PAC-113, is an anti-fungal in a Phase II clinical program. Pacgen also has candidates in an early stage research program. The most advanced of these candidates is a protein therapeutic, PAC-G31P, which is currently being investigated in preclinical 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.

TELECONFERENCE CALL NOTIFICATION: Monday May7, 2007 4:30pm EDT/1:30pm PDT

On May 7, 2007, Pacgen Biopharmaceuticals Corp. will host a teleconference call at 4:30pm EDT (1:30pm PDT). To participants in the teleconference call please dial 1-800-589-8577 in Canada and the U.S. or 00-800-0022-8228 Internationally before 4:30pm EDT. The reservation number required for access is #21231386. This call will be webcast from Pacgen's website at www.pacgenbiopharm.com.

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