



FOR IMMEDIATE RELEASE

TSX-V: PGA

PACGEN ANNOUNCES ADVANCES IN PAC-113 PROGRAM

Vancouver, BC, Canada (September 24, 2007) – Pacgen Biopharmaceuticals Corporation (“Pacgen”) (TSX-V: PGA) announced today its plans for a Phase IIb dose-ranging clinical trial for an optimized formulation of PAC-113, a novel treatment for oral Candidiasis infection, and released the final results from the previously completed Phase I/II trial.

Pacgen has recently developed an optimized formulation of PAC-113. In in-vitro assays of Candida cell killing conducted in a blinded manner by an external laboratory, this optimized formulation has demonstrated several orders of magnitude greater Candida cell killing as compared to the PAC-113 formulation used in the previous Phase I/II study. Pacgen is on track to initiate a PAC-113 Phase IIb dose-ranging study prior to the end of this year using this optimized PAC-113 formulation. This study will be a randomized, examiner-blinded, parallel design trial comparing three different doses of PAC-113 to Nystatin. The study, expected to be completed in Q2 2008, will enroll approximately 200 seropositive HIV patients with oral Candidiasis in a number of US and South African centers.

A new patent application containing claims covering the findings of the PAC-113 formulation and dose optimization studies recently completed by Pacgen has been filed with the US Patent and Trademark Office.

Similar to topline results from the Phase I/II study of PAC-113, reported in May 2007, final results from this trial showed the per protocol PAC-113 treated group had a complete clinical cure rate of 44%, comparable to the per protocol Nystatin treated group at 40%. Nystatin is a widely used, topical mouth rinse treatment for oral Candidiasis. Results confirm that PAC-113 was generally safe, well tolerated, and active in the treatment of oral Candida infection.

“Based on the magnitude of enhanced cell killing seen in the in-vitro Candida cell killing assay studies, we believe the optimized formulation of PAC-113 will show superior clinical efficacy as compared both to the prior PAC-113 formulation and to Nystatin. Our plan to initiate a Phase IIb study in November 2007 using the optimized formulation remains on track and we anticipate that, if granted, the new formulation patent we have filed will provide significant patent life extension and protection for PAC-113,” said Duffy DuFresne, President & CEO of Pacgen.

About PAC-113

PAC-113 is a 12 amino-acid antimicrobial peptide derived from a naturally occurring histatin protein found in human 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. PAC-113 is formulated as a pleasant tasting, sugar-free mouth rinse for use four times per day.

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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. Current treatments for *Candida* infections may not be entirely effective in eliminating the infection, can have serious side effects and potential for drug interaction, and/or do not prevent the development of drug-resistant fungal infection.

The demand for effective anti-fungals is driven by a rising incidence of immunocompromised patient 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 \$250 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 several earlier stage programs. 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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-30-

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