PACGEN Biopharmaceuticals Corporation

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

PACGEN REPORTS SECOND QUARTER FINANCIAL RESULTS

Vancouver, BC, Canada (November 30, 2009) – Pacgen Biopharmaceuticals Corporation ("Pacgen" or the "Company") (TSX-V: PGA) reported financial results from its second fiscal quarter ended September 30, 2009. Amounts unless specified otherwise, are expressed in Canadian dollars and in accordance with Canadian Generally Accepted Accounting Principles (Canadian GAAP).

Corporate Development Update

During the quarter ended September 30, 2009, the Company completed its acquisition of Xphase Pharmaceuticals Inc. ("Xphase"). Xphase, a privately held pharmaceutical company, has the right to acquire the exclusive global rights, excluding China, of AF-05, a novel anti-anxiety drug candidate currently in Phase I clinical trial in China. Xphase also provides consulting and project management services to assist small to medium pharmaceutical and biotechnology companies globally.

The acquisition provides the Company a right to acquire the exclusive global rights, excluding China, of AF-05, as well as management services of Xphase principals at no additional compensation, other than grant of options priced at premium. The Company issued 3 million common shares of the Company in exchange for all the outstanding shares of Xphase and management services of Xphase principals. Upon the achievement of certain pre-defined business development milestones, the Company will issue additional 3.5 million common shares to the shareholders of Xphase.

Following the acquisition, the Company has positioned itself to become a global life science technology transfer company focused on the commercial development of novel therapeutic drug candidates up to Phase II human proof of concept. The Company has also appointed Xphase principals to its senior management team. Dr. Yiu Chung Lee, Dr. Beverly Incledon, Mr. Joel Cheng, and Mr. Gabriel Lam have been appointed as Chief Executive Officer, Vice President, Research and Development, Vice President, Business Development, and Senior Director, Greater China Operations of Pacgen, respectively.

Summary of Second Quarter Results

For the three months ended September 30, 2009 ("Q2 2010"), the Company recorded a net loss of $433,300 ($0.01 per common share), compared to a net loss of $642,454 ($0.02 per common share) for the three months ended September 30, 2008 ("Q2 2009"). On a year-to-date basis, the Company recorded a net loss of $642,303 ($0.02 per common share), compared to a net loss of $1,949,955 ($0.06 per common share) for the same period in the preceding fiscal year. The decreased net losses in both periods were due to the Company's reduced operating expenditures following the implementation of its cost control programs in the preceding fiscal year.

Continued weakness in the global economy has led to a substantial reduction in capital in the credit markets. Smaller life science technology companies which are generally viewed as higher risk investments have been significantly affected. Given the challenging credit market environment, the Company continues to conserve cash through the Xphase Acquisition in exchange for management services as well as right to acquire AF-05. The

Company is also in discussion with its vendors to defer payments while it continues to pursue all possible alternatives to secure additional capital to finance its operations.

Research and development expenses were $14,916 for Q2 2010, compared to $155,264 for Q2 2009. On a year-to-date basis, research and development expenses for the six months ended September 30, 2009 ("YTD 2010") were $51,622, as compared to $1,036,451 for the six months ended September 30, 2008 ("YTD 2009"). The decreases in research and development expenses for both periods were primarily due to the Company's reduced development activities. The Company has deferred further development of its projects until it secures collaborative or joint venture partners.

General and administration expenses were $259,210 for Q2 2010, compared to $298,815 for Q2 2009. On a year-to-date basis, general and administration expenses were $313,691, compared to $603,702 for the same period in the preceding fiscal year. General and administration expenses were comparable in Q2 2010, and were significantly lower in YTD 2010, as compared to the same periods in the preceding fiscal year. The decrease in general and administration expenses on a year-to-date basis was primarily attributable to the Company's cost control programs. These programs include replacing the Company's full time positions with management consultants, appointing Xphase principals into its management team, conducting work internally whenever possible. Decreases in consulting and management fees, and professional fees were offset by increased development expenditures and travel and accommodation expenditures, primarily due to the Company's expanded partnering activities.

Stock based compensation, a non-cash item included in the operating expenses was $95,933 in Q2 2010, compared to $91,346 in Q2 2009. Year-to-date stock based compensation was $126,628, compared to $150,1564 in the same period last fiscal year. The increase in stock based compensation in Q2 2010, as compared to the same period in the preceding year, was due to the new stock option grants to Xphase principals as well as other personnel. Starting April 2009, the Company's compensation package to internal personnel includes only stock based compensation. The decrease in stock based compensation in YTD 2010, as compared to the same period in the preceding year, was mainly due to the increased number of stock options forfeited or cancelled.

Amortization was $63,341 in Q2 2010, compared to $66,307 in Q2 2009. Year-to-date amortization was $126,527 compared to $132,614 for the same period in the preceding fiscal year. Amortization related to technology, licenses and rights in Q2 2010 remained the same at $59,244, compared to Q2 2009. The remaining amortization was related to property and equipment.

Other income was $100 in Q2 2010, compared to other loss of $30,722 in Q2 2009. On a year-to-date basis, other loss was $23,835 compared to $27,032 for the same period in the preceding fiscal year. The decrease in other loss for both periods was mainly due to an increase in foreign exchange gain, but this was offset by an increase in financing and interest expenses and a reduction in interest income. The increases in net foreign exchange gain for both periods were due to the depreciation of the United States dollar, in comparison with the Canadian dollar, on the Company's US denominated retainer payments, accounts payable and accrued liabilities, and other payable. The increased financing and interest expenses were primarily related to those associated with an amount payable to a vendor and the convertible debentures issued in Fiscal 2009. The reduced interest income was due to lower cash balances and lower interest rates.

Liquidity and Outstanding Share Capital

As at September 30, 2009, the Company had cash and cash equivalents of $48,982 and a working capital deficiency of $1,476,358. The Company believes the remaining cash on hand will finance its operations into calendar year 2010. However, given its working capital deficiency as at September 30, 2009, the Company may be unable to continue to realize its assets and discharge its obligations in the normal course, which cast substantial doubt about its ability to continue as a going concern.

Management is actively pursuing a number of business development leads in the emerging markets in Asia. These business development efforts are focused on securing collaborative or joint venture partners for its PAC-113 program and PAC-G31P program. Management is also screening for new programs to attract financing. In addition to these business development efforts, the Company is pursuing a number of equity and debt financing leads; however, the Company has encountered resistance from new and existing shareholders to raise additional funds due to its current outstanding liabilities. The Company has initiated discussions with its creditors to further reduce its liabilities in order to enhance its ability to raise funds. While management believes these efforts may lead to a near term financing, and the Company has been successful in securing financings in the past, there can be no assurance that such financing will be materialized or be completed on a timely basis and on favorable terms. If the Company is unable to obtain additional financing or complete a collaborative transaction, it may have to further scale back its operations, consider other business combinations or shut down all of its operations.

As of November 23, 2009, there were 38,144,693 common shares issued and outstanding, 4,656,933 common share purchase warrants outstanding at a weighted average price of $0.30 per share, and 3,080,000 incentive stock options outstanding at a weighted average exercise price of $0.46.

For complete financial results, please see the Company's filings at www.sedar.com.

About Pacgen

Pacgen is a life science technology transfer company focused on the commercial development of novel therapeutic drug candidates up to Phase II, proof of concept efficacy in human. Pacgen sources innovative therapeutic drug candidates globally, and develops these drug candidates in accordance to the United States Food and Drug Administration regulatory standards to feed the product development pipelines of the pharmaceuticals industry. Pacgen's technology portfolio is composed of 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 human 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.

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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 management’s discussion and analysis dated July 9, 2009 and 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, except as required by law. For all forward-looking statements, Pacgen claims the safe harbour for forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995.

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