PACGEN Biopharmaceuticals Corporation

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

PACGEN SIGNS RESEARCH COLLABORATION AGREEMENTS

Vancouver, BC, Canada (January 27, 2010) – Pacgen Biopharmaceuticals Corporation ("Pacgen" or the "Company") (TSX-V: PGA) announced today that it has entered into collaboration research and development agreements with New Summit Biopharma Co. ("New Summit Bio"), to develop PAC-113 for the treatment of oral candidiasis for commercialization in China. Under the terms of the agreements, New Summit Bio will collaborate with Pacgen to raise funding and develop PAC-113 for the Chinese market.

Shanghai based New Summit Bio is a collaborative research organization focusing on providing research and development service and investment for new drug development in China. New Summit Bio offers total solutions to new drug commercialization by collaboration with major national science parks and integration of regional R&D resources. New Summit Bio is currently involved in 157 preclinical projects and 17 clinical projects. In addition, 15 projects are at new drug registration stage, 5 projects are undergoing commercial production, and 6 projects are expected to receive regulatory approval in China in 2010.

"Pacgen is very pleased to collaborate with New Summit Bio to develop PAC-113 for the Chinese market" said Dr. Y.C Lee, Chief Executive Officer of Pacgen. He added "China represents a key market potential for PAC-113, as the incidence of oral candidiasis in China has increased significantly in recent years due to extensive use of antibiotics.""The collaboration between Pacgen and New Summit Bio represents a new milestone in drug development between China and foreign countries. We are committed to working with Pacgen in raising fund, and coordinating the research and development with top R&D organizations to expedite development of PAC-113" said Dr. Jun Ren, Chief Executive Officer of New Summit Bio. "We believe PAC-113 has a significant market potential for the treatment of oral candidiasis in China", added Dr. Ren. Both parties intend to finalize their development plan after meeting with the Chinese regulatory department, State Food and Drug Administration.

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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For further information contact:
Yiu Chung Lee
Chief Executive Officer
Tel: 416-805-8573
Email: yclee@pacgenbiopharm.com

Christina Yip
Chief Financial Officer
Tel: 604-436-4388
Email: cyip@pacgenbiopharm.com