PACGEN Biopharmaceuticals Corporation

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

PACGEN REPORTS THIRD QUARTER FINANCIAL RESULTS

Vancouver, BC, Canada (March 2, 2010) – Pacgen Biopharmaceuticals Corporation ("Pacgen" or the "Company") (TSX-V: PGA) reported financial results from its third fiscal quarter ended December 31, 2009. Amounts unless specified otherwise, are expressed in Canadian dollars and in accordance with Canadian Generally Accepted Accounting Principles ("Canadian GAAP").

For the quarter ended December 31, 2009 ("Q3 2010"), the Company recorded a net loss of $468,181 ($0.01 per common share), compared to a net loss of $21,698 ($0.00 per common share) for the three months ended December 31, 2008 ("Q3 2009"). On a year-to-date basis, the Company recorded a net loss of $1,110,484 ($0.03 per common share), compared to a net loss of $1,971,653 ($0.06 per common share) for the same period in the preceding fiscal year. The higher net loss in Q3 2010, as compared to Q3 2009, was primarily due to a recovery of $746,516 of research and development expenditures in Q3 2009. Otherwise, net losses for both Q3 2010 and YTD 2010, were lower to the same comparative periods in the preceding year primarily due to the Company's reduced operating activities. The Company has deferred further research and development of its product candidates until new development funding is secured.

The global economic crisis in 2009 has led to a substantial reduction in capital in the credit markets, especially for companies in the development stage. Despite some signs of economic improvement in the general financial market, smaller life science technology companies, which are generally viewed as higher risk investments, continue to encounter difficulty in raising new capital. Given this challenging credit market environment, the Company continues to conserve cash and pursue all possible alternatives to secure additional capital to finance our operations.

During the fiscal 2010, the Company focused its operations in securing business development leads, with efforts primarily focused in the emerging markets in Asia. These business development efforts had led to signing of a collaborative research and development deal with Shanghai based New Summit Biopharma Co. ("New Summit Bio") in January 2010. Under the terms of the collaborative research and development agreements, New Summit Bio will collaborate with the Company to raise funding and develop PAC-113 for the Chinese market.

With respect to corporate financing, the Company has encountered resistance from new and existing shareholders to raise additional capital due to its current outstanding liabilities. The Company has initiated discussions with its creditors to reduce or restructure its liabilities in order to enhance its ability to raise funds. While management believes these efforts may lead to a near term financing, 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, the Company may be required to cease its operations.

Liquidity and Outstanding Share Capital

As at December 31, 2009, the Company had cash and cash equivalents of $30,107 and a working capital deficiency of $1,636,754. The Company is currently seeking additional capital to finance its operations and obligations. As of February 19, 2010, 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 2,960,000 incentive stock options outstanding at a weighted average exercise price of $0.44.

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.

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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