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STRESSGEN COMPLETES EARLY ENROLLMENT IN ITS PHASE III TRIAL FOR HspE7 FOR ANAL DYSPLASIA CAUSED BY HPV

Company Previously Announced Early Enrollment in its Phase II Genital Warts Trial

FOR IMMEDIATE RELEASE

August 1, 2001

Victoria, B.C., Canada - Stressgen Biotechnologies Corporation (TSE: SSB) announced today that patient enrollment in its Phase III clinical trial investigating HspE7 as a novel immunotherapeutic for anal dysplasia (AIN) caused by human papillomavirus (HPV) has reached its target two months ahead of schedule.

The Company initiated patient treatment in this randomized double-blind, placebo-controlled study in November 2000 and has completed enrollment of the protocol-required 128 patients at multiple study centers in the United States. Clinical efficacy for the trial will be determined by regression of AIN using standard pathological criteria. These data will be submitted to an appropriate scientific conference for public presentation.

“One of the key risks you face with every clinical trial is timely patient accrual,” said Daniel L. Kopolinski, President and Chief Executive Officer of Stressgen. “The early completion of enrollment in this Phase III AIN trial, coupled with the early completion of enrollment in our genital warts trial in April of this year, should allow us to meet the projected target dates as outlined in our clinical development plan.”

About Conference Call

Stressgen’s conference call to discuss this clinical milestone and its second quarter 2001 financial results will be held on August 2, 2001 at 4:00 p.m. Eastern Time (1:00 p.m. Pacific Time). The dial in number to access the call is: 888-243-1119 in North America. A replay of this call will be available from August 2 at 3:00 p.m. Pacific Time through August 8, 2001. The playback number is: 800-558-5253, reservation No. 19408921. The Company will retain information about accessing the call on its website at www.stressgen.com through the playback period.

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Anal Dysplasia Caused by HPV – August 1, 2001*

About Stressgen

Stressgen is a public biopharmaceutical company focused on the development and commercialization of innovative stress protein-based immunotherapeutics. The Company is developing a broad range of products for the treatment of viral infections and related cancers. In addition to targeting HspE7 for HPV-related diseases, the Company also has a program to evaluate stress protein fusions in hepatitis B and several other indications. Stressgen is also an internationally recognized supplier of research products for the study of cellular stress, apoptosis, oxidative stress and neurobiology used by scientists worldwide.

HspE7 is a novel immunotherapeutic for the treatment of diseases caused by the human papillomavirus (“HPV”), one of the most common sexually transmitted diseases, estimated to infect approximately 30 to 50 percent of the sexually active population. There are 5.5 million new cases of genital HPV infection diagnosed per year in the U.S. alone, of which over 1 million represent cases of genital warts. In addition to warts, genital HPV infection can cause cervical cancer and a variety of precancerous conditions, including anal and cervical dysplasia.

This news release contains certain forward-looking statements that involve risks and uncertainties. Such forward-looking statements include statements regarding the development and commercialization of therapeutics for viral infections, cancers and other diseases. Factors that may cause the ultimate results of our performance to be materially different from those implied by such forward-looking statements include risks that the products are not demonstrated to be safe or effective for their intended use, that the company will not obtain approval to market its products, and that there will be delays in proceeding from research to commercialization. These factors and others are more fully discussed in our filings with the U.S. Securities and Exchange Commission and Canadian regulatory authorities.

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