

## **Pacgen Biopharmaceuticals Acquires IL Therapeutics Inc.**

**Vancouver, BC, Canada, April 12, 2006** - Pacgen Biopharmaceuticals Corporation (“Pacgen”) announced today that it has entered into an agreement with Western Life Sciences Venture Fund LP (“Western Life Sciences”) to acquire IL Therapeutics Inc. Western Life Sciences owned all of the outstanding shares of IL Therapeutics Inc. The purchase price included Pacgen preferred shares, common shares and common share purchase warrants. The assets of IL Therapeutics Inc. consist of CDN \$1,500,000 and an early-stage drug technology, PAC-G31P.

“We are very pleased to have finalized this arrangement with Western Life Sciences”, said David J. Cheng, Ph.D., President and CEO of Pacgen. He added, “We feel that this deal strengthens both our capital structure and product pipeline and we anticipate completing PAC-G31P preclinical development and intend to file an IND to conduct a phase I clinical trial in 2007.”

### **About PAC-G31P**

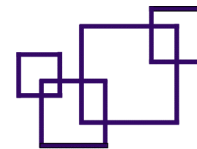
IL Therapeutics has been developing a drug candidate, IL-8(3-73)K11R/G31P (“PAC-G31P”) as a therapeutic in the prevention and treatment of severe inflammatory diseases characterized with neutrophil over-recruitment. PAC-G31P is a selective antagonist of interleukin-8 (IL-8) binding to CXCR1 and CXCR2 receptors. It is postulated that PAC-G31P will block the action of IL-8 and provide a positive clinical response in treating inflammatory diseases characterized by non-beneficial neutrophil recruitment. The lead clinical indication is Acute Respiratory Distress Syndrome (ARDS). Subsequent research on applications of PAC-G31P for additional disease indications will be carried out in conjunction with the University of Saskatchewan in the laboratory of Dr. John Gordon, the inventor of the PAC-G31P technology.

### **About Acute Respiratory Distress Syndrome (ARDS)**

ARDS is a form of respiratory failure. It results from an inflammatory response that produces diffuse pulmonary vascular injury. Symptoms develop in 24 to 48 hours of the inciting event and progression to respiratory failure typically occurs within 48 hours of the onset of symptoms. The worldwide incidence of ARDS is approximately 300,000 cases per year with a mortality rate of approximately 30%. Risk factors for development of ARDS are numerous and include diffuse pneumonia, sepsis, aspiration of gastric contents, massive blood transfusion and multiple traumas. There are currently no pharmacological interventions approved for the treatment of ARDS. The disease is currently managed by treating the underlying cause, providing appropriate nutrition and by minimizing other risk factors such as infection, gastrointestinal bleeding and thromboembolism. Mechanical ventilation is usually required.

### **About Pacgen**

Pacgen Biopharmaceuticals Corporation is an international biotechnology company specializing in the development of innovative peptide therapeutics for the prevention and treatment of infectious diseases and immune system regulations where current therapies are inadequate or ineffective. Pacgen’s current clinical programs include drug candidates for the treatment of oral candidiasis in HIV-infected patients (phase I/II), prevention and treatment of acute respiratory distress syndrome (preclinical), prevention of ventilator-associated pneumonia (preclinical), and treatment of chronic Hepatitis B & C infections (research & development). Pacgen is headquartered in Vancouver, British Columbia, Canada. For additional information, please visit [www.pacgenbiopharm.com](http://www.pacgenbiopharm.com).



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