VGX Pharmaceuticals Initiates Phase I/II Clinical Trials of PICTOVIR™ for the Treatment of HIV Infection

Blue Bell, PA – December 15, 2004 –

VGX Pharmaceuticals announced today that the company and the AIDS Clinical Trials Group (ACTG) have initiated Phase I/II clinical trials of PICTOVIR™ (VGX-410) for the treatment of HIV infection. The company and the ACTG received the Investigative New Drug application (IND) approval from the Food and Drug Administration (FDA) on December1, 2004.

PICTOVIR™ is an investigational drug for the treatment of HIV infection. Currently 30 to 50 percent of patients who are treated with existing drug regimens develop resistance to one or more antiretroviral drugs, reducing the treatment options available to them. Since there is no known effective cure or vaccine for AIDS, HIV drug resistance has become a serious treatment failure and concern. Patients desperately need a new class of drugs to combat drug resistances observed with existing compounds.

"This is an important milestone both for VGX Pharmaceuticals and for the treatment of HIV infection," says J. Joseph Kim, Ph.D., President and CEO of VGX Pharmaceuticals. "PICTOVIR™ represents the first drug targeting the Pre-Integration Complex Translocation (PICT) site of a cell. This could significantly reduce mutation effects of the virus. It is an orally active, small-molecule drug that provides once a day convenience."

PICTOVIR™ works by inhibiting the binding of one of HIV-1 virus' accessory proteins, Vpr, to its receptors. Vpr plays an important role for the survival of the HIV-1 virus in human cells, and by inhibiting it the virus is unable to replicate in many of the body's important immune cells. In cell culture assays and in animal models, treatment of virus infected human primary cells by PICTOVIR™ at low doses resulted in a significant inhibition of viral replication of all of the laboratory-adapted and clinical primary isolates of HIV-1 virus. "PICTOVIR™ could make a significant impact for HIV treatment," said Dr. Kim.

Cautionary Factors That May Affect Future Results - Materials in this Press Release contain information that includes or is based upon forward-looking statements within the meaning of the Securities Litigation Reform Act of 1995. Forward-looking statements relate to expectations or forecasts of future events. You can identify these statements by the fact that they do not relate strictly to historical or current facts. They use words such as "anticipate," "estimate," "expect," "project," "intend," "plan," "believe," and other words and terms of similar meaning in connection with a discussion of potential future events, circumstances or future operating or financial performance. In particular, these include statements relating to future actions, prospective products or product approvals, future performance or results of current and anticipated products, sales efforts, expenses, the outcome of contingencies such as legal proceedings, and financial results. Any or all of our forward-looking statements here or in other publications may turn out to be wrong. They can be affected by inaccurate assumptions or by known or unknown risks and uncertainties. Many such factors will be important in determining our actual future results. Consequently, no forward-looking statement can be guaranteed, and forward-looking statements may be adversely affected by factors, including general market conditions, competitive product development, product availability, current and future branded and generic competition, federal and state regulations and legislation, manufacturing issues, timing of the elimination of trade buying, patent positions, litigations and investigations. Our actual results may vary materially, and there are no guarantees about the performance or valuation of VGX stock. It is also important to read the disclosure notice contained in many of the individual VGX documents available on www.vgxp.com as many contain important information on such cautionary factors as of the date of the individual document. We undertake no obligation to correct or update any forward-looking statements, whether as a result of new information, future events or otherwise. You are advised, however, to consult any further disclosures we make on related subjects in our reports.

About AIDS Clinical Trials Group (ACTG)
The AIDS Clinical Trials Group (ACTG), the largest HIV clinical trials organization in the world, plays a major role in setting standards of care for HIV infection and opportunistic diseases related to HIV/AIDS. The ACTG is composed of, and directed by, leading clinical scientists in HIV/AIDS therapeutic research. The ACTG is funded by the Department of Health and Human Services, National Institutes of Health (NIH) through the National Institute of Allergy and Infectious Diseases.

About VGX Pharmaceuticals
VGX Pharmaceuticals is a biopharmaceutical company with product candidates for the treatment of infectious diseases including HIV, hepatitis C as well as cancer and inflammatory diseases. The Company's clinical development programs include PICTOVIR™ for HIV infection and VGX-410C for chronic hepatitis C virus infection. In addition, VGX Pharmaceuticals' therapeutic platform is designed to advance a strong and continual pipeline of drug candidates into the clinic with novel product candidates to treat cancer and inflammatory diseases. The product candidates and technology programs are protected by the Company's extensive global intellectual property portfolio. More information about VGX can be found at www.vgxp.com.

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