



## **VGX Pharmaceuticals Enters In-Licensing Agreement with Ganiel Immunotherapeutics, Inc. for Novel Drug Compound for Inflammatory Diseases**

**Blue Bell, PA – February 22, 2006 –**

VGX Pharmaceuticals announced today that it has entered an in-licensing agreement with Ganiel Immunotherapeutics, Inc, an European pharmaceutical company, for world-wide exclusive rights to test and market VGX-1027 (also known as GIT027) for the treatment of inflammatory diseases such as Rheumatoid Arthritis and Psoriasis. VGX-1027 is a novel orally active, small molecule drug compound.

Inflammatory Diseases including Rheumatoid Arthritis (RA), Psoriasis, Colitis, and Type I Diabetes represent major medical problems. For instance, over 2.1 Million and 4.5 Million people suffer from Rheumatoid Arthritis and Psoriasis in the U.S., respectively.

“This is a major development for the treatment of inflammatory diseases such as rheumatoid arthritis,” says J. Joseph Kim, Ph.D., President and CEO of VGX Pharmaceuticals. “VGX-1027 is a small molecule compound that has a broad anti-inflammatory properties. VGX-1027 has shown therapeutic effects against various inflammatory diseases such as RA, type I diabetes, psoriasis, and colitis in a pre-clinical animal models. Currently, there are very few safe, orally available treatment options for these diseases. VGX-1027 represents a new class of an orally active immune modulator for these diseases. VGX-1027 has the potential to make a significant impact for RA and other inflammatory diseases,” said Dr. Kim. An Investigational New Drug Application (IND) is expected to be filed in late 4Q 2006.

**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](http://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.

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### **About Ganial Immunotherapeutics**

Ganial Immunotherapeutics Inc. (GIT) is a biotechnology company that engages in the discovery, development, and commercialization of targeted immune therapy for treating diseases that are characterized by unregulated response of the immune system such as autoimmune diseases, viral infections and cancer.

**About VGX Pharmaceuticals**

VGX Pharmaceuticals is a leading biopharmaceutical company with strong product candidates for the treatment of infectious diseases including HIV and hepatitis C virus (HCV) as well as cancer and inflammatory diseases. The Company's clinical development programs include PICTOVIR™ for HIV infection and VGX-410C for chronic HCV infection, which are currently in Phase II clinical trials. In addition, a Phase I clinical trial will be initiated in 2006 for the Company's lead cancer drug compound, VGX-150 for the treatment of Melanoma. Moreover, VGX Pharmaceuticals' therapeutic platform is designed to advance a strong and continual pipeline of additional drug candidates into the clinic with VGX-100 for cancer therapy and VGX-1027 and VGX-750 for inflammatory diseases currently in development. 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](http://www.vgxp.com).

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