VGX Pharmaceuticals Announces the Initiation of IND-enabling Toxicology Studies for VGX-1027

Blue Bell, PA – October 27, 2006 –

VGX Pharmaceuticals announced today that the Company has initiated a series of IND-enabling toxicology studies on VGX-1027, the company's lead drug candidate for the treatment of rheumatoid arthritis (RA) and type 1 diabetes (T1D). VGX-1027 is a novel orally-active, small-molecule compound with broad anti-inflammatory properties.

Inflammatory diseases including RA, psoriasis, colitis, and T1D represent major medical problems. For instance, in the U.S. over 2.7 Million and 1 Million people suffer from rheumatoid arthritis and type 1 diabetes, respectively.

VGX-1027 is an immune modulator that inhibits production of several pro-inflammatory cytokines that are responsible for the damaging effects of inflammatory diseases. Pre-clinical studies have shown that VGX-1027 is effective in inhibiting these cytokines in cell culture, and has shown efficacy in several disease models in animals, including the ones for RA, T1D, psoriasis, and colitis

There are several blockbuster therapeutic agents on the market today which target the RA indication, including Enbrel® (Amgen, 2005 WW Sales $2.6 Billion), Remicade® (J&J, $2.5 Billion), and Humira® (Abbott, $1.4 Billion). However, these products must all be injected into the muscle or the skin of the patients. VGX-1027 offers a distinct advantage over the competitions in that it can be taken as a once-a-day pill.

"The VGX-1027 program represents VGX's entry into the important inflammatory disease field with a lead drug candidate having several potential advantages over currently available treatment options," says J. Joseph Kim, Ph.D., President and CEO of VGX Pharmaceuticals.

An Investigational New Drug Application (IND) for VGX-1027 is expected to be filed and Phase I clinical trials are expected to be initiated in the second quarter of 2007.

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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 2007 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.

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