



VGX Pharmaceuticals Announces an R&D and License Agreement with VGX International to Develop Gastric Cancer Therapeutics

Blue Bell, PA – June 20, 2007 –

VGX Pharmaceuticals announced today that the Company has granted VGX International, its Affiliate based in Seoul, Korea, a worldwide exclusive license to conduct research, development and marketing of VGX-100 for gastric cancer. Under the terms of this agreement, VGX Pharmaceuticals and VGX International will collaborate on pre-clinical as well as other phases of clinical trials for the development of VGX-100 for the gastric cancer indication. VGX Pharmaceuticals will receive milestone payments and royalties on the future sale of this product worldwide and has retained an option to develop VGX-100 in the US and Europe.

VGX Pharmaceuticals has developed technology using specific viral proteins that can induce selective apoptosis (programmed cell death) in rapidly dividing cancer cells, leaving normal cells unharmed. VGX-100, a recombinant viral protein r (Vpr), induces tumor cell death through apoptosis in number of human-derived tumor tissues including stomach, breast, prostate and brain.

Earlier this year, VGX has announced that VGX-100 will be manufactured using the Dowpharma's Pf_{nex} Expression Technology™, a Pseudomonas-based technology. In addition, the scale-up development and clinical trial material manufacturing will be conducted by Diosynth Biotechnology, an Akzo Nobel Company.

“VGX-100 has been one of the most exciting product candidates in our preclinical development portfolio. Patients who are afflicted with gastric or stomach cancer currently have very little available treatment options,” says J. Joseph Kim, Ph.D., President and CEO of VGX Pharmaceuticals. “It is our goal to accelerate the development of VGX-100 by a close collaboration with VGX International.”

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About VGX Pharmaceuticals

VGX Pharmaceuticals is a biopharmaceutical company with small molecule and biologic product candidates for the treatment of infectious diseases, cancer, and inflammatory diseases. The Company's clinical development programs include PICTOVIR™ for HIV infection, which is in Phase II clinical trials, and PENNVAX™-B, a DNA vaccine for preventing HIV infection, which is in Phase I clinical trials. In addition, VGX is planning to initiate Phase I clinical studies for VGX-1027, its lead compound for inflammatory diseases. VGX's research pipeline includes a new generation of SynCon™ DNA vaccines and therapeutics as well as the CELLECTRA™ electroporator, a patented DNA delivery device. 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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