VGX Pharmaceuticals Receives $1.9 Million Contract from U.S. Government to Develop Skin Micro-Electroporation for Improved Biodefense Vaccine Efficacy

Blue Bell, PA – September 10, 2007 –

VGX Pharmaceuticals announced today that it has been awarded a contract from the Defense Threat Reduction Agency (DTRA) to develop VGX's constant current electroporation technology for intradermal (ID) delivery of DNA vaccines and therapeutics. The contract is for $1.9 Million over 12 months. Under the contract, VGX will demonstrate in vivo efficacy of novel vaccines derived from DNA plasmid-based pox virus antigens delivered using a skin micro-electroporation system.

The development of candidate countermeasures to chemical and biological warfare agents represents a major thrust of the US Government's Chemical and Biological Defense Initiative. Smallpox is classified as a CDC category A pathogen. Although this highly contagious and often fatal virus was eradicated in 1979, it affected almost 1 billion people since the late 19th century and has a high biothreat potential today.

"This contract demonstrates the U.S. government's support of in vivo electroporation for the delivery of DNA vaccines as a defense against bioterrorism, and further encourages the development of the skin micro-electroporation platform for our pipeline," stated Dr. J. Joseph Kim, President and CEO of VGX. "We are excited to be awarded this contract to further validate the skin-delivery system for immunogenicity and efficacy in a pathogen of particular interest to the DTRA and set the platform for delivery of other vaccines in the biodefense program."

VGX is developing the CELLECTRA™ electroporation device to deliver a number of DNA vaccine and therapeutic candidates for both ID and intramuscular (IM) routes. The device is portable, water-proof, shock-proof, battery operated, and software driven, making it particularly suited for usage in the field. Delivery of vaccines via the CELLECTRA™ skin micro-electroporation system may have several potential advantages such as lower dosage and higher tolerability.

VGX has established a dynamic vertically-integrated product development platform encompassing novel DNA vaccine constructs, proprietary electroporation technology for DNA delivery, and an efficient process for the cGMP manufacturing of DNA plasmids. VGX is currently developing a portfolio of DNA based vaccines covering HIV, HPV and influenza as well as DNA therapies for cancer-related cachexia based on growth hormone releasing hormone (GHRH). These potential products are anticipated to be developed for human applications in combination with the CELLECTRA™ electroporation device. VGX has initiated the formal IND-enabling toxicology studies for its HPV, influenza, and GHRH product candidates in Q3 2007.

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 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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