



**VGX Pharmaceuticals announces IND filing of VGX-1027,
a novel small molecule compound with potent anti-inflammatory activity**

Blue Bell, PA – December 20, 2007 –

VGX Pharmaceuticals announced it has submitted an investigational new drug (IND) application jointly with its affiliate, VGX International, to the U.S. Food and Drug Administration (FDA) for Phase I clinical studies of VGX-1027 in healthy volunteers. VGX-1027 is 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.

VGX-1027 is the first of a new class of immune modulators that inhibits the production of several pro-inflammatory cytokines, which 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 cultures. They have also demonstrated the product's efficacy in animal models for several diseases including RA, T1D, psoriasis, and colitis. Its main mechanism of action is the inhibition of NF-kB and the early transient inhibition of P38 MAP kinase signaling pathways.

Inflammatory diseases including RA, T1D, psoriasis, and colitis represent major medical problems. In the U.S. alone, over 2.7 Million people suffer from rheumatoid arthritis. An additional 1 Million Americans suffer from type 1 diabetes, which can be fatal if untreated.

There are several blockbuster therapeutic agents on the market today which target the RA indication, including Enbrel® (Global Sales of \$4.4 Billion in 2006, by Amgen), Remicade® (\$3.6 Billion, J&J), and Humira® (\$1.9 Billion, Abbott). However, all of these agents require injection into a patient's muscle or skin. VGX-1027 offers a distinct advantage over such products because it can be taken as a once-a-day pill. Additionally, there are very few other treatment options available currently for T1D patients other than daily insulin injections.

The IND filing for VGX-1027 is an important milestone for our Company," stated Dr. J. Joseph Kim, President and Chief Executive Officer. "The VGX-1027 program represents VGX's entry into the important inflammatory disease field with a lead drug candidate having several potential advantages over other treatment options."

Once the IND is approved, VGX will conduct Single Ascending Dose (SAD) and Multiple Ascending Dose (MAD) Phase I studies on VGX-1027 in 2008. The Company is currently expecting approval of the IND in the first quarter. Upon successful

completion, the results from these studies will satisfy FDA requirements to commence two Phase II studies: one for RA patients, to be conducted by VGX Pharmaceuticals, and one for T1D patients, to be conducted by 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.

About VGX International

VGX International, a publicly-traded global biopharmaceutical company listed on the Korean Stock Exchange. VGX International is a member of the KOSPI 200 index and is headquartered in Seoul, Korea. The Company is dedicated to developing revolutionary new drug candidates for the treatment of cancer and inflammatory diseases, providing the most advanced cGMP solutions for better facilities, and supplying high-end biopharmaceutical products to global clients. The Company's clinical development programs include VGX-1027 for type 1 diabetes and VGX-100 for gastric cancer, which are both currently in pre-clinical stages. The Company provides cGMP manufacturing solutions to other pharmaceutical companies in Asia for new construction of GMP facilities and its related fields. The Company also provides contract manufacturing services dedicated to supplying biopharmaceutical products to global institutions and companies working on DNA therapies. More information about VGX International can be found at www.vgxi.com.

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