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VIRXSYS RAISES \$20 MILLION IN FINANCING

Funds Will Support Development of Gene Therapies for AIDS and Cancer

GAITHERSBURG, MD – December 13, 2006 – VIRxSYS Corporation, a privately held company developing genetic therapies for HIV and cancer, announced a \$20 million series G round of financing from warrants issued in the previous round of funding. The company was founded in 1998 and has raised a total of \$87 million. The financing will be used to support research and clinical programs including VRX496, a gene-based immunotherapy for the treatment of HIV. Phase II clinical trials of VRX496 are underway.

“We are pleased that our existing shareholders have chosen to re-invest in VIRxSYS,” said Dr. Riku Rautsola, President and CEO of VIRxSYS. “This support comes on the heels of very strong results from the Phase I clinical trial of VRX496 and our progress to date in Phase II. We expect to have results from the Phase II trial by the third quarter of 2007.”

About VRX496

VRX496, a gene therapy treatment against HIV, is the first application of VIRxSYS’ lentiviral vector platform. It is the first, and continues to be the only, lentiviral vector currently administered in human clinical trials approved by the U.S. Food and Drug Administration (FDA). The backbone of VRX496 is an HIV-based lentiviral vector from which the disease-causing aspects of the virus have been removed, leaving behind an efficient gene-delivery vehicle. VIRxSYS then equips the vector with a long antisense sequence against the HIV envelope protein to create VRX496. In preclinical and clinical studies, VRX496 has been able to deliver genes permanently, reproducibly and efficiently to human cells without toxicity or serious adverse events, such as immunogenicity or insertional oncogenesis (cancer), that plagued earlier gene therapy trials.

About the VRX496 Clinical Trials

Phase I clinical trials of VRX496 conducted at the University of Pennsylvania demonstrated that a single intravenous infusion of VRX496 was safe and well tolerated. All patients had stable or decreased viral load, with three of the five patients exhibiting clinically significant reductions in viral load. Four of the five patients had stable or increased CD4 T cell counts. In addition, all five patients had stable or increased immune response to HIV antigens and other pathogens. Two separate Phase II trials are underway to test the safety and tolerability of repeated and larger single doses of VRX496. Preliminary results from these trials should be available by the middle of 2007.

About VIRxSYS

Founded in 1998, VIRxSYS is a private biotechnology company that focuses on the development of a novel lentiviral vector platform technology for the treatment of serious diseases such as HIV/AIDS and cancer. The Company has exclusively licensed its patented, proprietary technology platform from The Johns Hopkins University (JHU) in Baltimore, Maryland where the original research was conducted. The Company also has been issued additional patents relating to the application and manufacture of the technology. More information regarding VIRxSYS can be found at www.virxsys.com. Details for the Phase II study may be found at the NIH clinical trials website at clinicaltrials.gov/show/NCT00131560.

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