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**VIRxSYS ANNOUNCES COMPLETION OF PHASE I STUDY OF VRX496,
NOVEL HIV GENE THERAPY, AND PLANS TO INITIATE PHASE II STUDY**

GAITHERSBURG, MD, May 2, 2005 - VIRxSYS Corporation, a private biotechnology company focused on the development of gene therapy treatments for diseases such as HIV/AIDS, reports completion of the initial protocol-mandated observations in a Phase I clinical trial evaluating the safety and tolerability of the novel HIV gene therapy VRX496. Study data show promise for the novel therapy and are now being prepared for publication in a scientific journal.

All five patients in the Phase I study have completed the six-month assessment period. Three of the patients have also reached their one-year post-dosing assessment, and none have experienced any serious adverse events related to the treatment. All patients have failed 2 highly active antiretroviral drug therapy regimens (HAART regimens) when they were enrolled in the study.

“This is an important milestone in the development of a therapy we believe may have potential as a next-generation anti-HIV therapy,” said Riku Rautsola, Ph.D., CEO of VIRxSYS. “We are extremely encouraged by what we have observed in this Phase I trial, and we are about to initiate a Phase II trial for dose finding and efficacy.”

The Phase I clinical trial used an HIV-derived lentiviral vector from which the disease-causing aspects of the virus have been removed, leaving behind an efficient genetic delivery vehicle. This vector is then equipped with an anti-HIV genetic medicine consisting of a long antisense molecule targeted against the HIV envelope gene. The viral vector plus antisense is called VRX496. The antisense genetic medicine blocks HIV replication in CD4 T cells, which would otherwise be destroyed by the HIV virus. Without CD4 T cells, the human immune system collapses, allowing the onset of full-blown AIDS.

VIRxSYS’ therapy modifies a patient’s own CD4 T cells with VRX496 to provide the patient with a number of protected CD4 T cells capable of resisting HIV and protecting normal immune system function. The goal of this therapy is to repopulate a patient’s immune system with a number of genetically engineered cells that can support immunity both against HIV and other infections. Data from the Phase I trial support the feasibility of this approach.

VRX496 offers advantages over current antiretroviral drug therapies (ARVs). The treatment is intended to be a long-term sustainable treatment, at an overall lower lifetime cost than ARVs. Additionally, the long antisense payload is capable of inhibiting multi-drug resistant HIV, and preclinical studies have shown that HIV is incapable of developing resistance to VRX496, due to the size of the antisense.

“VIRxSYS’ lentiviral vector is the most efficient clinical genetic vector available today,” states Dr. Rautsola. “The efficiency of gene transfer combined with a genetic payload instead of a protein payload allows us to overcome major obstacles that have hindered past clinical gene therapy trials.”

About the Company

VIRxSYS is a private biotechnology company founded in 1998, which focuses on the development of a novel HIV lentiviral vector platform technology for the treatment of serious diseases such as HIV/AIDS and cancer. The Company’s highly patented, proprietary technology platform and product application strategy is based on research originally conducted at and exclusively licensed from The Johns Hopkins University (JHU) in Baltimore, Maryland. Additional information is available at VIRxSYS’ website at www.virxsys.com.

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