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FIRST PATIENT DOSED IN PHASE II CLINICAL TRIAL FOR HIV/AIDS GENE BASED IMMUNOTHERAPY

GAITHERSBURG, MD–(November 8, 2005)– VIRxSYS Corporation, a private company developing genetic therapies for the treatment of serious disease, announced today that the first patient has successfully completed the first infusion in the Company's Phase II clinical trial evaluating a gene-based immunotherapy for treatment of HIV. The dosing procedure for the therapy, a lentiviral vector-based treatment known as VRX496, was carried out at the Jacobi Medical Center in the Bronx of New York City, under the oversight of principal investigator Dr. David Stein (www.nyc.gov/html/hhc/jacobi/home.html).

"We were encouraged by results from Phase I, which despite using only a single infusion of the therapy, showed early indications of efficacy in several patients. Based on these findings, Phase II could result in significant and lasting reduction in viral loads and improvement in CD4 counts in patients," said Riku Rautsola, Chief Executive Officer, VIRxSYS. "We look forward to progressing through the dosing phase of the trial and seeing the actual patient data."

The Phase II study will determine the safety of repeat doses of a patient's own (autologous) CD4 T cells modified with VRX496, and their effect on viral load, CD4 counts and overall immune function. VRX496 is an HIV-derived lentiviral vector from which the disease-causing aspects of the virus have been removed, leaving behind an efficient delivery vehicle for transfer of genetic material. This vector is then equipped with an anti-HIV gene consisting of a long antisense molecule that blocks HIV replication by targeting the HIV envelope gene.

Investigators believe that the VIRxSYS therapy delays or prevents the progression of HIV disease by repopulating a patient's immune system with HIV resistant CD4 T cells. This potentiates the immune response against HIV and protects or restores normal immune function against other infections. Researchers at VIRxSYS are confident that HIV cannot develop resistance to VRX496 because when the HIV virus attempts to mutate around the long antisense it ends up destroying its own ability to replicate, as reported in the peer reviewed Journal of Virology in 2004.

"Gene based immunotherapy offers the prospect of dramatically changing the way we treat HIV infected individuals. This new approach may yield great benefits for the patients we serve," said Dr. Stein.

Phase II study participants will receive repeat infusions of the VRX496-modified cells, at the same dosing level evaluated in Phase I studies, and are monitored for six months after their final dose. Study sites will continue to monitor participants annually for fifteen years to evaluate long-term safety. Completion of the Phase II study is expected in fall of 2006.

The Phase II study has sites located across the United States and is the second clinical trial in history to evaluate a lentiviral vector in a clinical trial. The Phase I trial for VRX496 was the first lentiviral clinical trial allowed by the FDA, making it a first in class product. The Food and Drug Administration (FDA) has granted the therapy “fast-track” status.

The Phase I trial for VRX496 was completed in May and demonstrated a single dose of the gene-based immunotherapy to be safe and well tolerated. As part of that Phase I study, all patients continue to be monitored for safety on an annual basis. There have been no safety concerns raised in any of the Phase I patients. In addition, several of the patients experienced declining or stable viral loads compared to baseline values, and they had elevated or stable T Cell (CD4) counts. Some patients had indications of restored immunity against HIV.

About the Company

Founded in 1998, VIRxSYS is a private biotechnology company that 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 has exclusively licensed its patented, proprietary technology platform from The Johns Hopkins University (JHU) in Baltimore, Maryland where the original research was conducted. In addition, the Company has pursued and has been issued 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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