

FOR IMMEDIATE RELEASE
Contact: Dr. Gwendolyn Binder
Office #: (301) 987-0480 ext 249
Cell #: (410) 908-4940
E-mail: gwen@virxsys.com

VIRxSYS COMPLETES \$30 MILLION FINANCING
Funds Will Support Phase II Trial for HIV/AIDS Therapy

GAITHERSBURG, MD (October 11, 2005) – VIRxSYS Corporation, a privately held company developing genetic therapies for HIV and cancer, announced the final closing of their latest financing round. The Series F Preferred Stock financing totaled approximately \$31 million. Earlier closings of this round were used to complete the Company's Phase I clinical trial for the Company's VRX496 gene-based anti-HIV immunotherapy. The remainder of the funds will be used for their Phase II trial and to continue to advance the development of the Company's lentiviral vector platform technology.

The Series F offering was VIRxSYS' fifth financing round since the Company's founding in 1998. The Company's shareholders include traditional venture capitalists and a large number of high net worth individuals.

"The current financing included many existing shareholders, and included many new investors as well. We had so much interest in this round that we were way over subscribed," noted William Turner of Signature Capital, placement agent for the financing.

"Investors were excited by our early clinical results and recognize the potential opportunities for our lentiviral vector platform," said Dr. Riku Rautsola, President and CEO of VIRxSYS.

In addition to unique technology and promising Phase I results, the ability of the Company to attract the Company's new CEO, Dr. Riku Rautsola, was an important factor for some investors to commit. "Dr. Rautsola's track record in biotech suggests a bright future for VIRxSYS and its pipeline of gene-based medicines," said Eric Adams, CEO of EnGene, Inc., and one of the investors in this round. "I expect VIRxSYS and VRX496 to eventually have a major impact on HIV patients and healthcare in general."

With the completion of this round of financing, VIRxSYS has raised approximately \$63 million in equity financing since its founding. The Company has also been awarded \$1.5 million by the National Institutes of Health (NIH) earmarked for the completion and operation of the Company's cell processing facility. In addition, the Company was awarded approximately \$800,000 from the NIH for its participation in a separate HIV

trial evaluating VRX496 that will be performed in collaboration with the University of Pennsylvania.

VIRxSYS' therapy modifies a patient's own (autologous) CD4 T cells with VRX496, which is a lentiviral vector equipped with an anti-HIV gene that blocks HIV replication by targeting the HIV envelope gene. Researchers at VIRxSYS are confident that HIV cannot develop resistance to VRX496 and have reported this data in the peer reviewed Journal of Virology in 2004.

The VIRxSYS therapy repopulates a patient's immune system with HIV resistant CD4 T cells, which investigators believe potentiate the immune response against HIV and protect or restore normal immune function against other infections, thus delaying or preventing the progression of HIV disease. The Company's VRX496 is the first lentiviral therapy that the Food and Drug Administration (FDA) has allowed to be clinically evaluated, making it a first-in-class product. In addition, the 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 the study, patients will continue to be monitored for safety on an annual basis. As of this date, 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 load levels compared to baseline values, and they had elevated or stable T-Cell (CD4) counts.

The Company's Phase II study will evaluate the safety and tolerability of repeat doses of autologous VRX496-modified CD4 T cells, and their effect on viral load, CD4 counts and immunity. The trial is being performed at six clinical sites in New York, Florida, Illinois, and Kentucky. Eligible patients must have failed at least one anti-HIV cocktail treatment due to drug resistance or unacceptable side effects. The Company anticipates accruing statistically significant data from treated patients in the Phase II trial by the third quarter of 2006.

About the Company

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. 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.

###

200 Perry Parkway, Suite 1A
Gaithersburg, Maryland 20877 USA

www.virxsys.com

Telephone: 301.987.0480

Fax: 301.987.0489

VIRxSYS – “Delivering the Promise of Genetic Medicine”™