



FOR IMMEDIATE RELEASE:

PROFECTUS BIOSCIENCES SECURES \$5M IN SERIES C VENTURE FUNDING

Additional \$1M Equipment Leasing Line of Credit for Vaccine Innovation Center

Baltimore, MD and Tarrytown, NY – July 22, 2009 – Profectus BioSciences, Inc. (Profectus), a clinical stage biopharmaceutical company focused on the development of novel vaccine candidates for chronic viral infections, announced today that the company has closed on a \$5 million Series C venture financing round. Current investor Cross Atlantic Capital Partners led the round, which brings the total venture investment in Profectus to \$19 million to date.

In addition to the equity financing, Profectus also announced that it has entered into a \$1 million equipment leasing line of credit with Fountain Partners of San Francisco, CA. The equipment leasing will primarily be used for the purchase of laboratory equipment for Profectus' new vaccine innovation center in Tarrytown, NY.

Shawn Patrick O'Brien, President and Chief Executive Officer of Profectus BioSciences, commented, "Our success in securing the Series C round and equipment financing demonstrates confidence in Profectus' management, proprietary technology, commercial opportunity and financial management expertise. While our strategy is to principally finance Profectus' proprietary, prime-boost vaccine programs with non-dilutive financing from government and private sources, this funding provides us with additional working capital to support general corporate activities, as well as additional R&D activities."

Don Caldwell, Chairman of the Board of Profectus and CEO of Cross Atlantic Capital Partners, added, "Profectus' broad vaccine and therapeutic pipeline focuses on key markets with major, unmet medical needs. Each of these markets represents a \$2 billion opportunity. From a partnering perspective, the vaccine market has re-emerged as a key revenue generator for large pharma as pipelines have dried and favorable legislation has been implemented. We look forward to this very important transition to the clinic as Profectus readies itself for initiation of its first-in-man vaccine candidate in HIV later this year."

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About Cross Atlantic Capital Partners (XACP)

Cross Atlantic Capital Partners is a venture capital firm that focuses in early to mid-stage technology companies. XACP currently manages four venture funds with over \$500 million in total capital under management. For more information about Cross Atlantic Capital Partners, please visit: <http://www.xacp.com>.

About Profectus BioSciences, Inc.

Profectus BioSciences is an innovative research and development vaccine company devoted to advancing the treatment and prevention of chronic viral diseases. The Profectus proprietary vaccine design approach combines its pDNA and rVSV platforms via a unique prime-boost strategy to advance vaccine research. Profectus' broad development pipeline will address Human Immunodeficiency Virus (HIV), Hepatitis C Virus (HCV), Human Papilloma Virus (HPV), Herpes Simplex Virus (HSV), and Malaria. The Company's first clinical vaccine candidate for preventative and therapeutic HIV is planned for clinical trials in Q4'09/Q1'10 and will be followed with initiation of a clinical trial for a therapeutic HCV vaccine. The company will use results from these trials to build on its compendium of data utilizing its prime-boost vaccine approach for clinical development.

In December 2008, Profectus was awarded \$21.6 million by the National Institute of Allergy and Infectious Diseases (NIAID) to develop preventative and therapeutic HIV vaccines. The Profectus portfolio has received over \$100 million in funding from multiple sources, including National Institutes of Health (NIH), Cross Atlantic Capital Partners and through private investments. Profectus deploys these resources in support of its proprietary prime-boost vaccines as well as for its small molecule inhibitor program targeting NF-kB for cancer, autoimmunity, inflammation and chronic viral diseases. For more information, please visit: <http://www.profectusbiosciences.com>.

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