



FOR IMMEDIATE RELEASE

Profectus BioSciences, Inc. Receives \$6.25M in National Institute of Allergy and Infectious Disease Grants and Contracts

Funding to Support Company's Viral Vector and Portfolio of Genetic Adjuvants to Develop Therapeutic Vaccines

Baltimore, MD – October 7, 2010 – Profectus BioSciences, Inc., a technology based vaccine company devoted to the treatment and prevention of chronic viral diseases, today announced that it has received \$6.25M in National Institute of Allergy and Infectious Disease (NIAID) grants and contracts. This includes three Small Business Innovative Research (SBIR) grants from the Division of AIDS, National Institutes of Health totaling \$2.9M. These grants are focused on optimizing the Company's portfolio of genetic adjuvants. Profectus BioSciences is dedicated to harnessing the immune system to treat and prevent viral diseases and cancers through the delivery of proprietary prime/boost vaccines.

One of the adjuvant approaches exploits the enzymatically active A1 subunit of cholera toxin (CTA1), which can be expressed from DNA, RNA, and viral vectors. In a recently completed Phase 1 SBIR, expression of the CTA1 adjuvant from a pDNA based vector demonstrated promise in small animal models. The new Phase 2 SBIR supports the continued evaluation and optimization of CTA1 in non-human primates in conjunction with the Profectus BioSciences' HIV pDNA vaccine. Additional adjuvants supported by this funding utilize other cell signaling pathways to stimulate the body's innate, but potentially powerful and adaptive immune system.

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John Eldridge, Chief Scientific Officer of Profectus BioSciences, commented, “Along with IL-12, our portfolio of genetic adjuvants provides us with a toolbox of options to optimize our heterologous prime/boost vaccines. These awards provide significant validation to our scientific approach and accelerate our efforts to develop therapeutic vaccines against HCV, HPV, HSV, and HIV that will have significant clinical impact.”

Profectus BioSciences also received \$2.75M in continued contract support from the Division of AIDS to develop its recombinant Vesicular Stomatitis Virus (rVSV) platform as an HIV vaccine. VSV is a negative-strand, non-segmented RNA virus from the order Mononegavirales that has been redesigned to enable delivery of vaccine immunogens. VSV is a particularly attractive candidate for this purpose because its genome can potentially host more than one foreign gene and it contains its own Toll-like receptor activating adjuvant. Since replication is cytoplasmic and the genome is comprised of RNA, rVSV is incapable of integrating within the genome of infected host cells – a highly desirable safety feature. Unlike Adenovirus and other viral vector vaccines employed today, human infection with VSV is very rare, so the general population is free of pre-existing, virus-neutralizing immunity that would prevent the vaccine from “taking” in the immunized person and providing efficacy. Profectus BioSciences is utilizing this technology along with its pDNA platforms to develop effective therapeutic vaccines against HCV, HPV, HSV, as well as HIV.

This funding is in addition to the \$4.4M in grants announced earlier this week to support the Company’s HIV prophylactic vaccine program.

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About Profectus BioSciences, Inc.

Profectus BioSciences, Inc. is a technology based vaccine company devoted to the treatment and prevention of chronic viral diseases with the goal of reducing morbidity and mortality. Since its inception in 2003, the Company's strategic intent has been to develop and acquire the technologies needed to deliver on that mission within high value markets. The foundation of Profectus BioSciences' approach is the premise that effective management of inflammation and immunity can dramatically improve clinical outcomes. The Company has in-licensed a group of vaccine-based technologies from Wyeth Vaccines that greatly accelerate its' ability to deliver highly effective therapeutic vaccines based on a "prime-boost" strategy. This strategy uses the delivery of a best-in-class plasmid DNA (pDNA) vaccine to "prime" the immune system, followed by a first-in-class "boost" using a recombinant Vesicular Stomatitis Virus (rVSV) vector. Current disease and virus targets include Hepatitis C Virus (HCV), Human Papilloma Virus (HPV), Herpes Simplex Virus type 2 (HSV-2), and Human Immunodeficiency Virus (HIV), and Malaria.

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