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FOR IMMEDIATE RELEASE

VARIATION BIOTECHNOLOGIES FLU VACCINE PROVIDES ROBUST IMMUNE RESPONSE, BROAD PROTECTION AGAINST H1N1 INFLUENZA STRAIN

Results Support Moving Forward with a Planned IND Filing for Variation's Influenza Vaccine Candidate to Fight Seasonal and Life-Threatening Influenza

Cambridge, MA, September 14, 2009 – Variation Biotechnologies, Inc. (VBI), an emerging leader in the discovery and development of novel vaccines to fight infectious diseases, today reported that the company's proprietary influenza vaccine triggered a robust immune response and provided protection against a H1N1 strain of influenza. The data were obtained from preclinical testing of ferrets inoculated with Variation's proprietary influenza vaccine and challenged with live H1N1. Data from this study were recently presented at the 49th Annual Interscience Conference on Antimicrobial Agents and Chemotherapy (ICAAC) meeting in San Francisco, California.

The study's primary objective was to demonstrate the vaccine's ability to limit viral replication, thereby reducing the clinical symptoms associated with infection. Three groups of ferrets, the most predictive animal model of influenza infection in humans, were studied. The first group received a 200 microgram intramuscular inoculation of Variation's SFV2/NAM1 vaccine on day zero, with a booster 28 days later. The second group received inoculation with a currently available commercial vaccine as a control, and a final group received a negative control inoculation of NAM1 lacking the SFV2 component of the vaccine. In the SFV2/NAM1 group, viral load was dramatically lowered with significant reduction in the magnitude and duration of fever. Additionally, efficacy in this treatment group correlated with very high titers of virus-specific serum IgG titers, as well as induction of hemagglutination inhibition titers. This reactivity



extended across many drifted subtypes of influenza including the recently emerged pandemic H1N1/California “swine” isolate.

“Variation’s Variosite™ technology represents a novel advance in vaccine development with the potential to provide broadly reactive immunity against a variety of infectious diseases,” said David E. Anderson, Ph.D., Vice President, Immunology and co-founder of Variation. “The data from this study suggest that our influenza vaccine is an effective, next generation alternative with significant advantages over current vaccine approaches. Based on these results, we anticipate entering human clinical trials in 2010.”

The study was performed by Variation researchers at the facilities of the National Research Council Canada in Ottawa and at the Institute Armand Frappier in Montreal.

About Variation Biotechnologies, Inc.

Variation Biotechnologies, Inc. (VBI) is an emerging leader in the discovery and development of novel vaccines to fight infectious diseases, including seasonal and pandemic influenza, hepatitis and HIV. The company utilizes its proprietary Variosite™ technology to design vaccines with broad immunity and is also developing a proprietary technology to enable convenient oral administration. VBI’s lead candidates include a multi-season parenteral vaccine to fight influenza and an orally delivered vaccine to address hepatitis A. For more information please visit Variation’s website, www.variationbiotech.com.

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