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Jennerex Announces *Cancer Research* Publication Demonstrating Vascular Targeting Mechanism of Action of Lead Product Candidate, Pexa-Vec (JX-594)

San Francisco, Calif. -- February 11, 2013 — Jennerex, Inc., a private, clinical-stage biotherapeutics company focused on the development and commercialization of best-in-class targeted oncolytic immunotherapies for solid tumors, today announced the publication of research demonstrating the ability of its lead product candidate, Pexa-Vec (JX-594), to disrupt the blood supply to a tumor, an important factor in tumor progression. This research, published in *Cancer Research,* confirms anti-angiogenesis as part of Pexa-Vec's multi-pronged approach to attacking cancer.

Pexa-Vec is an oncolytic immunotherapy designed to 1) rapidly de-bulk tumors via tumor cell lysis, 2) activate an antivascular effect with rapid tumor vascular knockout, and 3) induce a durable immune response against tumors. Pexa-Vec was engineered from vaccinia, which has been used for decades as a vaccine in healthy individuals. Pexa-Vec has been safely administered to over 200 patients and is currently in Phase 2b clinical development for the treatment of advanced HCC and is also being evaluated in other solid tumors

"These are remarkable findings as they provide validation and greater detail about this important mechanism of action of Pexa-Vec," said Caroline Breitbach, director of clinical and translational research at Jennerex and lead author of the paper. "Based on this research, it is clear that Pexa-Vec selectively targets and infects tumor-associated endothelial cells, as well as cancer cells, resulting in disruption of the blood supply and destruction of the tumor, a finding that has not been reported in patients with similar agents."

The *Cancer Research* publication provides evidence of the second prong of Pexa-Vec's mechanism of action (MOA), its ability to disrupt the tumor vasculature (the blood supply to the tumor) by specifically infecting tumor-associated vascular endothelial cells in humans, while avoiding an effect on normal blood vessels. The research showed that intravenous infusion of Pexa-Vec in preclinical models and in clinical settings resulted in virus replication in tumor-associated endothelial cells, disruption of tumor blood flow, and hypoxia (deprivation of adequate oxygen) within 48 hours, with massive tumor necrosis (death) occurring within five days. Results of tumor biopsies taken from patients participating in a Phase 1 clinical trial of intravenous Pexa-Vec showed dose-dependent endothelial cell infection in tumors. Finally, patients with advanced HCC who were treated with Pexa-Vec in Phase 2 clinical trials

experienced disruption of blood supply as early as five days to both injected tumors and tumors distant from injection sites. No toxicities to normal blood vessels or wound healing were observed.

“Because highly targeted small molecules and antibodies typically have a transient limited survival benefit in patients with HCC, and resistance universally occurs, there is a clear need for novel, multi-mechanistic therapies. Pexa-Vec’s combination of a direct oncolytic effect, anti-vascular effect, and long-term immune response represents a promising potential therapy for solid tumors,” said Laurent Fischer, M.D., president and chief executive officer of Jennerex. “This *Cancer Research* publication provides strong evidence of the tumor vascular targeting activity of Pexa-Vec and further supports our targeted oncolytic immunotherapy approach that builds on the natural attributes of vaccinia and our SOLVE platform.”

Pexa-Vec Clinical Development Program and SOLVE Platform
Pexa-Vec (JX-594) is currently being evaluated in an international, randomized Phase 2b clinical trial (TRAVERSE) in patients with advanced primary liver cancer who have failed sorafenib therapy. It is also being tested in HCC patients in combination with sorafenib. In addition, Pexa-Vec is being evaluated in a Phase 1-2 clinical trial in patients with treatment-refractory colorectal cancer as monotherapy and in combination with irinotecan.

Phase 1 and Phase 2 clinical trials in multiple cancer types to date have shown that Pexa-Vec, delivered either directly into tumors or intravenously, induces tumor shrinkage and/or necrosis and is well-tolerated (over 200 patients treated to date). Objective tumor responses have been demonstrated in a variety of cancers including liver, colon, kidney, lung cancer and melanoma. Pexa-Vec has had a predictable and manageable safety profile to date which includes flu-like symptoms that resolve in 24 to 48 hours.

Pexa-Vec is the lead product candidate from Jennerex’ SOLVE™ platform, a groundbreaking approach offering new therapeutic options for patients with life-threatening cancers. SOLVE builds on the natural attributes of vaccinia viruses to engineer highly targeted, oncolytic immunotherapies for cancer with minimal side effects.

About Jennerex's Regional Partners for Pexa-Vec
Transgene (NYSE Euronext Paris: FR0005175080), a bio-pharmaceutical company specialized in the development of immunotherapeutic products, holds an exclusive license to develop and commercialize Pexa-Vec in Europe and neighboring countries. Green Cross Corporation, a leading company in the development, manufacturing, and commercialization of viral vaccines and other biological products, holds an exclusive license to develop and commercialize Pexa-Vec in South Korea, and Lee's Pharmaceutical Ltd. holds an exclusive license to develop and commercialize Pexa-vec in China.

Transgene, a member of the Institut Mérieux Group, is a publicly traded French biopharmaceutical company dedicated to the development of therapeutic vaccines and immunotherapeutic products in oncology and infectious diseases. Transgene has four compounds in phase 2 clinical development: TG4010 and Pexa-Vec (TG6006) having already completed initial phase 2 trials, TG4001 and TG4040. Transgene has concluded three strategic agreements for the development of its immunotherapy products: an option agreement with Novartis for the development of TG4010 to treat various cancers; an in-licensing agreement with US-based Jennerex, Inc. to develop and market Pexa-Vec (TG6006), an oncolytic virus, and with the EORTC for the development of TG4001 to treat HPV induced head and neck cancers.

Transgene has bio-manufacturing capacities for viral-based products. Additional information about Transgene is available at www.transgene.fr.

Green Cross Corp. is a publicly traded and leading Korean biopharmaceutical company specialized in development and commercialization of vaccines, plasma-derivatives, recombinant proteins and therapeutic antibodies in oncology and infectious diseases. Green Cross Corp. has been collaborating with Jennerex in Korea since 2006 to jointly conduct the Phase 1 and 2 clinical trials in patients with liver cancer. Additional information about Green Cross Corp. is available on the internet at www.greencross.com.

Lee's Pharmaceutical Holdings Limited is a research-based biopharmaceutical company listed in Hong Kong with over 19 years operation in China's pharmaceutical industry. It is fully integrated with strong infrastructures in drug development, manufacturing, sales and marketing. It has established extensive partnership with over 20 international companies and currently has 14 products in the market place. Lee's focuses on several key disease areas such as cardiovascular, oncology, gynecology, dermatology and ophthalmology. Lee's development program is lauded with 30 products stemming from both internal R&D efforts and collaborations with US, European and Japanese companies and aspiring to combat diseases such as liver cancer and pulmonary hypertension. The mission of Lee's is to become a successful biopharmaceutical group in Asia providing innovative products to fight diseases and improve health and quality of life. Additional information about Lee's Pharmaceutical is available at www.leespharm.com.

About Jennerex
Jennerex, Inc. is a clinical-stage biotherapeutics company focused on the development and commercialization of first-in-class, breakthrough targeted oncolytic immunotherapy products for cancer. The Company is focused on two main programs, lead product candidate, Pexa-Vec (JX-594), which is in mid-stage clinical development for the treatment of advanced primary liver cancer and colorectal cancer and JX-929 which is under investigation for a variety of other solid tumors. Jennerex is headquartered in San Francisco and has related research and development operations in Ottawa, Canada and Busan, South Korea. For more information about Jennerex, please visit www.jennerex.com.

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