

May 30, 2006
AnGes MG, Inc.

**AnGes MG, Inc. and Vical Inc. Sign Collaborative R&D Agreement
for Allovectin-7® as well as Equity Investment Agreement**

AnGes MG, Inc. ("AnGes") and Vical Inc. ("Vical") today announced a collaborative R&D agreement for Vical's Allovectin-7® for cancer immunotherapy. An announcement was also made on an equity investment agreement signed between AnGes and Vical.

Allovectin-7® is a plasmid/lipid complex containing DNA sequences and its direct injection into tumor lesions may augment the immune response against both local and distant metastatic tumors. Vical conducted a Phase II trial evaluating Allovectin-7® immunotherapeutic as a single agent for patients with metastatic melanoma; the result showed better efficacy (i.e. survival period) and safety over the currently available therapies.

The American Cancer Society estimated that approximately 62,000 new diagnoses and approximately 7,900 deaths from melanoma will occur in 2006 in the United States. There are significant unmet medical needs for melanoma, but currently there are no consistently effective therapies for advanced cases of malignant melanoma where the cancer has spread to other parts of the body.

Under the agreement, AnGes will fund the Phase III pivotal trial of Allovectin-7® to be conducted by Vical in the United States in accordance with a Special Protocol Assessment (SPA) completed with the U.S. Food and Drug Administration (FDA). In return, AnGes will co-own the data generated in the Phase III clinical trial and receive an exclusive license within the territory of Asia, including the right to sublicense, for the development, sales and marketing and distribution for all the indications of Allovectin-7® using the licensed technologies. Vical will pay AnGes royalties based on defined sales levels in the United States, and fixed royalties on rest-of-the-world sales, including the European region. AnGes expects royalty payment from Vical to become one of the major revenue generating sources in the future.

Along with an R&D agreement for Allovectin-7®, an equity investment agreement has been signed as well, which positions AnGes as a strategic partner for Vical.

In May 2005, AnGes entered into a global license agreement with Vical on its patented Non-viral DNA delivery technologies, to be used for HGF gene therapy for indications of Peripheral Arterial Disease (PAD) and Ischemic Heart Disease (IHD). Through this equity investment, the good> ongoing relationship between AnGes and Vical will be further strengthened to direct the way for building the strategic relationship between AnGes and Vical, in particular in the field of gene therapy. Vical, a leading biopharmaceutical company in the area of gene therapy, has accumulated a vast amount of experience and expertise in the development of gene-based therapy, including manufacturing and CMC.

Through a scheduled series of cash payments and equity investments totaling \$22.6 million, AnGes will fund the Phase III pivotal trial to be conducted by Vical. In addition, AnGes will pay Vical royalties on product sales in specific Asian countries plus future sales-based milestones if Allovectin-7® is successfully commercialized.

Company Profile

Vical Inc.

Head office : 10390 Pacific Center Court, San Diego, CA 92121, USA

President and CEO : Vijay B. Samant

Founded : 1987

Number of Employee : 155 (as of Dec. 2005)

Activity : Development of Gene Therapeutics using Non-Viral Gene Delivery Technology