



August 8, 2007

Tekmira Pharmaceuticals Releases Second Quarter 2007 Operating Results

For immediate release: August 8, 2007

Vancouver, BC — Tekmira Pharmaceuticals Corporation ("Tekmira"; TSX:TKM) reported today in its Second Quarter 2007 operating results that it remains on track to complete all its 2007 drug development milestones and expects to have eight treatments for cancer and other diseases in human clinical trials in the next 12 to 18 months.

Tim Ruane, President and CEO of Tekmira, said key achievements during the Second Quarter included:

An announcement April 17, 2007 by Tekmira's partner Alnylam Pharmaceuticals, Inc. (Nasdaq: ALNY) that it will advance a systemically delivered RNAi therapeutic, ALN-VSP01, for the treatment of liver cancer and potentially other solid tumors. ALN-VSP01 is a combination of two small interfering RNA (siRNA) molecules, the molecules that mediate RNAi. Tekmira will manufacture ALN-VSP01 in preparation for Alnylam conducting toxicology studies. Tekmira will also be eligible to receive milestone payments as ALN-VSP01 is developed and royalties on product sales.

Completion on May 1, 2007 of Tekmira's spin-out from Inex Pharmaceuticals Corporation and commencement of Tekmira's common shares trading on the Toronto Stock Exchange.

Ruane also said that Alnylam's leadership position in the field of RNA interference (RNAi) therapeutics was highlighted with the announcement July 9, 2007 that Alnylam had entered into a major alliance with Roche. The discovery of RNAi was recognized with the award of the Nobel Prize in 2006.

Ruane said Tekmira, through its partnerships, had three products in clinical trials at the end of the second quarter and expects up to five others that utilize the Company's technology will be in clinical trials before the end of 2008.

"Our internal clinical development program, our joint development partnerships with other companies and our strong financial position combine to place Tekmira in a leading position among development-stage Canadian biotech companies," said Ruane.

Subsequent to the end of the quarter, on August 3, 2007, Tekmira's partner Hana Biosciences Inc. (Nasdaq: HNAB) initiated a Phase 2 clinical trial evaluating Marqibo as a treatment for relapsed acute lymphoblastic leukemia.

Over the next 12-18 months, the Company expects the following milestones to be achieved for products using Tekmira's proprietary technology:

Commencement by Hana of a Phase 3 clinical trial to evaluate Marqibo as a treatment for front-line acute lymphoblastic leukemia.

- Completion by Hana of a Phase 1 clinical trial evaluating cancer drug Alocrest (formerly INX-0125).
- Commencement by Hana of a Phase 1 clinical trial evaluating cancer drug Optisomal Topotecan (formerly INX-0076).
- Continuation of toxicology and other studies in preparation for filing by Tekmira in 2008 of an investigational new drug (IND) application for approval to evaluate INX-0167 in clinical trials. Tekmira is developing INX-0167 to stimulate the immune system to treat cancer.
- Filing of an IND by Alnylam for approval to begin clinical trials for PCS-01, an RNAi therapeutic targeting the PCSK9 gene, for the treatment of hypercholesterolemia.
- Filing of an IND by Alnylam for approval to begin clinical trials for ALN-VSP01, an RNAi therapeutic targeting the VEGF and KSP genes, for the treatment of liver cancer and, potentially, other solid tumors.
- Announcement of a gene target for the first of Tekmira's three RNAi therapeutic products included in the Alnylam partnership.

FINANCIAL RESULTS

Restructuring of Inex – Transfer of Business to Tekmira

Tekmira did not carry on any active business until April 30, 2007 when, together with Inex, its parent company at that time, it was reorganized under a Plan of Arrangement. Under the Plan of Arrangement all of Inex's business and transferable assets and liabilities and contractual arrangements, including all cash and cash equivalents, all intellectual property, products, technology and partnership arrangements were transferred to Tekmira. Inex's management team and employees are now employed by Tekmira where they have assumed the same positions they occupied in Inex. 100% of Tekmira's common shares have been distributed to Inex's common shareholders on a pro-rata basis with each shareholder of Inex receiving one common share of Tekmira for each share of Inex held.

On April 30, 2007, concurrent with and as part of the Plan of Arrangement, Inex, having no pharmaceutical assets, issued convertible debentures to a group of investors (the "Investors") for \$5.3 million in cash. When the convertible debentures are converted, the Investors will hold 100% of the non-voting shares in Inex and 80% of the total number of Inex's outstanding common shares.

\$5.2 million (US\$4.7 million) of the cash received by Inex upon the issuance of the convertible debentures has been recorded as Additional paid-in capital. The \$5.2 million was subsequently paid to certain former noteholders as discussed below. The remaining balance of the cash raised from the convertible debenture of \$0.1 million will be used by Inex as working capital and was not contributed to Tekmira.

Effective May 1, 2007, Tekmira's common shares began trading on the Toronto Stock Exchange under the symbol "TKM" and the common shares of Inex ceased to trade.

As a non-recurring related party transaction between Tekmira and Inex under common control, the assets and liabilities were transferred at their carrying values using the continuity-of-interests method of accounting. For reporting purposes, Tekmira is considered to have continued Inex's pharmaceutical business and will include the historical operating results of Inex to April 30, 2007. Accordingly, for the reporting periods ended June 30, 2007, the financial statements combine the financial results for the business carried on in Inex up to April 30, 2007 with those of Tekmira from May 1, 2007 to June 30, 2007.

Tekmira continues to carry on the biopharmaceutical business of Inex, and after completion of the Plan of Arrangement, Inex was renamed 1322256 Alberta Ltd.

To view the full press release, including Financial Results and Statements, click [here](#).