



Tekmira Pharmaceuticals Releases First Quarter 2007 Operating Results

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Vancouver, BC – Tekmira Pharmaceuticals Corporation ("Tekmira"; TSX:TKM) reported today in its First Quarter 2007 operating results that its spin-off from Inex Pharmaceuticals Corporation ("INEX") was successfully completed May 1, 2007 and the Company remains on track to complete all its 2007 drug development milestones.

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

- Expansion of a 2006 partnership with Alnylam Pharmaceuticals, Inc. (Nasdaq: ALNY), a leader in RNA interference (RNAi) therapeutics, the technology for which the 2006 Nobel Prize for medicine was awarded;
- Completion of a \$16 million equity financing; and
- Allowance from the United States Patent and Trademark Office of intellectual property covering Tekmira's drug delivery technology and nucleic acids, including oligonucleotides and double-stranded RNAs.

Tekmira's partnership with Alnylam is developing drugs that consist of Alnylam's proprietary RNAi therapeutics encapsulated in Tekmira's proprietary liposome drug delivery technology. The partnership brought Tekmira US\$17 million in committed funding and a license to develop three drugs that use Alnylam's RNAi gene silencing technology and to develop immune stimulatory drugs using Alnylam's RNA technology. The deal also provides for milestone payments to Tekmira of up to US\$13 million for each product developed under the alliance, plus royalties on sales of the products.

"The Alnylam partnership establishes Tekmira as a Canadian leader in the new RNAi therapeutics field with full rights to develop its own products based on this technology," said Ruane.

"The proceeds from the financing, together with the committed funding from pharmaceutical partnerships, enable Tekmira to execute our business plan for the next two to three years."

"The allowance from the U.S. patent office confirms that Tekmira has a leading patent position in the industry related to using liposomes to deliver oligonucleotides, including RNAi therapeutics," Ruane said. "This intellectual property position is an important strategic component of our partnership with Alnylam Pharmaceuticals."

Subsequent events

Subsequent to the end of the First Quarter, Tekmira has announced two significant achievements.

On April 17, Alnylam Pharmaceuticals announced 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, and Tekmira's liposomal drug delivery technology. ALN-VSP01 is the second Alnylam development program to utilize lipid-based delivery technology.

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.

On May 1, Tekmira announced that its spin-out from INEX was completed and that its common shares had begun trading on the Toronto Stock Exchange.

Milestones

Three products using Tekmira's proprietary technology are now in human clinical trials and as many as eight such products could be in clinical trials in 2008.

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

- Commencement by Tekmira partner Hana Biosciences Inc. (Nasdaq: HNAB) of a Phase 2 clinical trial to evaluate Marqibo as a treatment for relapsed acute lymphoblastic leukemia.
- Completion by Hana of a Phase 1 clinical trial evaluating cancer drug INX-0125.
- Commencement by Hana of a Phase 1 clinical trial evaluating cancer drug INX-0076.
- Commencement by Hana of a Phase 3 clinical trial to evaluate Marqibo as a treatment for front-line acute lymphoblastic leukemia.
- 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, a small interfering RNA (siRNA) gene-silencing product targeting hypercholesterolemia.

· Filing of an IND by Alnylam for approval to begin clinical trials for ALN-VSP01, a siRNA gene-silencing product targeting liver cancer and, potentially, other solid tumours.

· Announcement of a gene target for the first of Tekmira's three siRNA gene silencing products included in the Alnylam partnership.

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