November 13, 2008

Tekmira Pharmaceuticals Corporation Announces Third Quarter 2008 Operating Results and Provides Program Update

VANCOUVER, BC — Tekmira Pharmaceuticals Corporation (TSX:TKM) announced today its operating results for the third quarter of 2008.

Dr. Mark J. Murray, Tekmira's President and CEO, said, "Our internal product development programs remain on track and we expect to file Investigational New Drug (IND) applications and begin human clinical trials for our two lead proprietary products in 2009. Our partner Alnylam is also proceeding on schedule to file an IND using Tekmira's SNALP technology and we continue to expand the number of pharmaceutical companies using our leading technology."

"Our cash resources amounted to $34.2 million at September 30, 2008, giving Tekmira a very strong balance sheet for a research and development biotechnology company. We continue to manage our cash resources prudently and we believe the cash on hand and revenue expected from our partners will enable us to execute on our strategy until the second half of 2010 without the need for additional financing."

"We are continuing to focus on developing our portfolio of proprietary products exclusively in the RNAi therapeutics field, while supporting our industry partners as they conduct research and advance products based on Tekmira's SNALP delivery technology," said Dr. Murray.

Tekmira and its partners are developing drugs that silence disease-causing genes based on Nobel Prize winning breakthroughs known as RNA interference (RNAi). The drugs consist of therapeutic agents called small interfering RNA (siRNA) encapsulated in Tekmira's stable nucleic acid–lipid particles (SNALP).

Other company progress during the third quarter included:

- Expansion of a research collaboration with Bristol-Myers Squibb (NYSE: BMY) supporting Tekmira's development of SNALP technology to deliver siRNA to specific organs and tissues outside of the liver. The collaboration builds upon earlier work that validated certain gene targets using siRNA provided by Bristol-Myers Squibb and a number of different SNALP formulations.

- Expansion of the management team by appointing Tammy Mullarky as Vice President, Strategic Planning and Business Development and Dr. Peter Lutwyche as Vice President, Pharmaceutical Development. Ms. Mullarky's responsibility includes securing additional licensing and collaborative research and development agreements for Tekmira's technology. Dr. Lutwyche has responsibility for manufacturing, process development and quality control for all Tekmira product candidates as well as supporting Tekmira's collaborations.

- Presentation of pre-clinical data by Tekmira research collaborator the United States National Cancer Institute (NCI) showing that siRNA enabled by Tekmira's SNALP technology significantly reduced tumor burden by silencing the CSN5 gene in an animal model of liver cancer. Tekmira and NCI are continuing to collaborate on novel cancer stem cell genes to demonstrate anti-tumor activity by silencing these genes through RNA interference.

- Publication of new research showing how Tekmira's siRNA minimal modification technology eliminates the immune stimulation effects of siRNA while preserving full RNAi activity. The research was published August 19, 2008 in the journal Human Gene Therapy.

- Alnylam's announcement that they will file an IND by the end of 2008 for ALN-VSP, a product candidate that uses Tekmira's SNALP technology.

Subsequent to the end of the third quarter, Tekmira announced that Johnson & Johnson Pharmaceutical Research & Development, a Division of Janssen Pharmaceutica, N.V. (J&JPRD) presented pre-clinical data that show siRNA using Tekmira's proprietary SNALP technology significantly reduce fat storage in the liver. The data suggest that drugs comprising these siRNA with SNALP may have potential as treatments for metabolic diseases, such as diabetes and obesity.

Tekmira Product Candidates

ApoB SNALP

ApoB SNALP is expected to enter a Phase 1 human clinical trial in the first half of 2009 as a treatment for high cholesterol. ApoB SNALP has been shown in preclinical studies to eliminate diet-induced high cholesterol, returning blood cholesterol levels to normal with a single treatment. Tekmira's approach is to address the underlying cause by targeting ApoB, a protein synthesized in the liver that is essential to the assembly and secretion of very low density lipoprotein (VLDL), a precursor to LDL, both of which are required for the transport and metabolism of cholesterol.

PLK1 SNALP

PLK1 SNALP is expected to enter a Phase 1 human clinical trial in the second half of 2009 as a treatment for cancer. PLK1 SNALP has been shown in preclinical studies to selectively kill cancer cells, while sparing normal cells in healthy tissue. PLK1 SNALP is targeted against PLK1 (polo-like kinase 1), a protein involved in tumor cell proliferation. Inhibition of PLK1 prevents the tumor cell from completing cell division, resulting in cell cycle arrest and cell death.

Tekmira expects to select its third product candidate in 2009. The company has the right to develop a total of seven siRNA products based on access to Alnylam's leading intellectual property in the RNAi field, two of which, ApoB SNALP and PLK1 SNALP, have already been selected.

Alnylam Product Candidate ALN-VSP

ALN-VSP, for which Alnylam expects to file an IND application before the end of 2008, is being developed as a treatment for liver cancers and potentially other solid tumors. ALN-VSP is a dual-target product comprised of 2 siRNA molecules delivered systemically using Tekmira's SNALP technology. Under the Tekmira-Alnylam partnership, Tekmira will receive up to US$16 million in milestones on each and every RNAi therapeutic advanced by Alnylam or its partners that utilizes Tekmira's technology, as well as royalties on product sales.

FINANCIAL RESULTS

For the nine months ended September 30, 2008, Tekmira's net loss was $11.3 million ($0.26 per common share) as compared to a net loss of $2.9 million ($0.12 per common share) for the comparative period of 2007. For the three months ended September 30, 2008, net loss was $6.0 million ($0.12 per common share) as compared to a net income of $1.5 million ($0.06 per common share) for the third quarter of 2007.

There are a number of factors contributing to changes in Tekmira's results including changes to revenue streams, the inclusion of Protiva's results from May 30, 2008, the date Protiva was acquired, some one-time expenses linked to the acquisition of Protiva and an impairment loss on goodwill.

Revenue

Revenue from research and development collaborations, licensing fees and milestone payments was $4.2 million for the third quarter of 2008 as compared to $5.7 million for the third quarter of 2007 and was $8.6 million for the first nine months of 2008 as compared to $11.6 million for the first nine months of 2007. Revenue in the first nine months of 2007 arises from licensing and collaboration payments from partnerships with Alnylam and Hana that began on March 25, 2006 and May 6, 2006, respectively. Revenue in the first nine months of 2008 arises primarily from Tekmira's collaboration with Alnylam.

Alnylam revenue

On March 25, 2006, Tekmira signed an exclusive research collaboration agreement with Alnylam to evaluate Alnylam's RNAi therapeutics with Tekmira's systemic lipid-based technology. On January 8, 2007, the Company entered into a licensing and expanded collaboration agreement with Alnylam (the "Alnylam LCA") giving Alnylam a worldwide exclusive license to Tekmira's lipid-based delivery formulation technology for the discovery, development, and commercialization of RNAi therapeutics, and expanding the existing research and manufacturing alliance. The agreement includes a minimum of US$2.0 million in research and development collaboration funding in both 2007 and 2008. This revenue is being recorded based on the time spent by scientific staff and costs incurred on Alnylam research and development projects. Under the Alnylam LCA, Tekmira is also providing contract manufacturing services to Alnylam and this income is being recorded as research and development collaborations revenue.

As a result of the business combination with Protiva, on May 30, 2008 Tekmira acquired a Cross-License Agreement with Alnylam (the "Cross-License") which includes collaboration terms. Under the Cross-License, Tekmira will provide a minimum of seven scientists until August 13, 2009 and Alnylam will reimburse the Company at a fixed rate for all personnel provided.

Alnylam research and development collaboration revenue in the third quarter of 2007 was unusually high as Tekmira manufactured several batches of drugs for Alnylam.

Under the Alnylam LCA Tekmira received an up-front licensing payment of $9.4 million (US$8.0 million). This is being amortized to revenue on a straight-line basis.

Expenses

Research and development

Research and development expenses increased to $5.4 million for the third quarter of 2008 as compared to $3.2 million for the third quarter of 2007 and increased to $13.1 million for the nine months of 2008 as compared to $5.3 million for the first nine months of 2007. Inclusion of Protiva expenses from May 30, 2008, including ApoB SNALP and PLK1 SNALP project expenses, accounts for $3.5 million of the increase in the third quarter and $4.3 million of the increase in the first nine months of 2008 as compared to the same periods in 2007.

The majority of the increase in research and development external expenditures relate to the ApoB SNALP program, specifically preclinical toxicology costs and costs related to the purchase of GMP materials. Stock based compensation for research and development staff was $1.00 million in the second quarter of 2008 as compared to $0.03 million for the second quarter of 2007 as Tekmira's Board approved the accelerated vesting of all Tekmira stock options concurrent with the announcement of the business combination with Protiva in the second quarter of 2008. Also in the second quarter of 2008, Tekmira accrued $2.0 million for payments due to its former CEO and this has been allocated 75% to research and development expenses and 25% to general and administrative expenses.

Salary and infrastructure costs also increased as a result of the business combination with Protiva. Staff numbers increased by about 75% as a result of the business combination. Internal research and development staff numbers were 78 at September 30, 2008 (total staff 94) as compared to 39 (total staff 50) at September 30, 2007. As part of the integration of Tekmira and Protiva, in October, the Company completed a reorganization which resulted in a reduction in workforce of 13 employees.

General and administrative

General and administrative expenses increased to $1.1 million for the third quarter of 2008 as compared to $0.8 million for third quarter of 2007 and increased to $3.6 million for the first nine months of 2008 as compared to $3.4 million for the first nine months of 2007. Inclusion of Protiva expenses from May 30, 2008 accounts for $0.3 million of the increase in the third quarter and $0.4 million of the increase in the first nine months of 2008 as compared to the same periods in 2007. Stock based compensation for general and administrative staff was $0.35 million for the second quarter of 2008 as compared to $0.01 million for the second quarter of 2007 and in line with the increase noted above. Legal and professional fees were substantial in the first nine months of 2007 as Tekmira worked to complete the corporate reorganization on April 30, 2007. Legal and professional fees were similarly higher than normal in the period up to completion of the business combination with Protiva but these fees have been capitalized as they are a cost of acquisition of Protiva.

Impairment loss on goodwill

The recent down-turn in financial markets led the Company to carry out a goodwill impairment test as at September 30, 2008. Based on Tekmira's market capitalization as at September 30, 2008 the Company determined that the fair value of goodwill arising from the acquisition of Protiva is now nil and an impairment loss of $3.9 million, the full value of goodwill, has been recorded for the three month and nine month periods ended September 30, 2008.

Conference Call

Tekmira will hold a conference call and webcast at 8:00 am Pacific Time (11:00 am Eastern Time) today to discuss the third quarter 2008 operating results and to provide an update on developments at the Company.

To participate in the conference call, please dial 416-641-6139 or 1-866-299-6657. The call will be available for replay until November 27, 2008 by calling 416-695-5800 or 1-800-408-3053 and entering the code 3275046. The conference call is also being webcast and can be access from the Company's website at www.tekmirapharm.com.

About RNAi and SNALP

RNAi drugs have the potential to treat human diseases by "switching-off" disease causing genes. The technology, representing one of the most promising and rapidly advancing frontiers in biology and drug discovery, was awarded the 2006 Nobel Prize for Physiology or Medicine. RNAi drugs, such as siRNA, require delivery technology to be administered systemically. In preclinical studies, Tekmira's SNALP (stable nucleic acid-lipid particles) technology has been shown to be a safe and effective way to deliver RNAi drugs to disease sites. Tekmira believes it has a leading intellectual property position in the field of siRNA delivery.

About Tekmira

Tekmira Pharmaceuticals Corporation is a biopharmaceutical company focused on advancing novel RNAi therapeutics and providing its leading lipid nanoparticle delivery technology to pharmaceutical partners. Further information about Tekmira can be found at www.tekmirapharm.com. Tekmira is based in Vancouver, B.C.

Forward-Looking Statements and Information

There are forward-looking statements and information contained herein that are not based on historical fact, including, without limitation, statements containing the words "believes," "may," "plans," "will," "estimate," "continue," "anticipates," "intends," "expects," and similar expressions, and the negative of such expressions. These statements are only predictions.

Forward-looking statements and information should be considered carefully. Undue reliance should not be placed on forward-looking statements and information as there can be no assurance that the plans, intentions or expectations upon which they are based will occur. By their nature, forward-looking statements and information involve numerous assumptions, known and unknown risks and uncertainties, both general and specific, which contribute to the possibility that the predictions, forecasts, projections and other forward-looking statements and information will not occur and may cause actual results or events to differ materially from those anticipated in such forward-looking statements and information.

There are also other factors that may cause the actual results, events or developments to be materially different from any future results, events or developments expressed or implied by such forward-looking statements and information. Such factors include, among others, the stage of development of Tekmira, lack of product revenues, additional capital requirements, the need to obtain regulatory approval to commence clinical trials, risks associated with the completion of clinical trials and obtaining regulatory approval to market Tekmira's products, the safety and efficacy of Tekmira's products, the ability to protect Tekmira's intellectual property and dependence on collaborative partners.

A more complete discussion of the risks and uncertainties facing Tekmira appears in Tekmira's management information circular dated May 1, 2008 available at www.sedar.com. Tekmira disclaims any obligation to update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements or information contained herein to reflect future results, events or developments, except as required by law.

Contact Information

Investors
Ian Mortimer
Executive Vice President and Chief Financial Officer
Phone: 604-419-3200

Media
David Ryan
Longview Communications Inc.
Phone: 604-694-6031
Email: dryan@longviewcomms.ca