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Tekmira Pharmaceuticals and Protiva Biotherapeutics Announce Business Combination to Create Global Leader in RNAi Delivery and Therapeutics

-Alnylam and Roche to Invest $10 million in Combined Company-

Vancouver, BC — Tekmira Pharmaceuticals Corporation ("Tekmira"; TSX:TKM) and Protiva Biotherapeutics Inc. announced today that they have signed a Share Purchase Agreement under which the two Vancouver-based companies will combine their businesses by Tekmira purchasing the outstanding equity of privately owned Protiva. The combined company, which will retain the name Tekmira, will be a global leader in the development of novel delivery technology and nucleic acid drugs, including RNA interference (RNAi) therapeutics.

As part of the transaction, Alnylam Pharmaceuticals, Inc. (Nasdaq: ALNY) and the Roche Venture Fund will each invest $5.0 million in Tekmira at a price of $2.40 per Tekmira share. At close, the new Tekmira is expected to have greater than $35 million in cash and equivalents.

The combined company will advance a pipeline of novel therapeutic products based on technologies and intellectual property contributed from both Tekmira and Protiva that covers a variety of lipid formulations for the delivery of nucleic acids. The new Tekmira will have rights to develop seven RNAi therapeutic products based on access to Alnylam's intellectual property. The new Tekmira expects to advance two systemic RNAi therapeutics into clinical development over the next 12-18 months as treatments for hypercholesterolemia and cancer.

In the field of RNAi therapeutics, the new Tekmira will have licensing and other relationships with Alnylam, Roche (SWX: ROG), Regulus Therapeutics, a joint venture between Alnylam and Isis Pharmaceuticals, Inc. (Nasdaq: ISIS) and Merck & Co., Inc. (NYSE: MRK). Each of these companies has licensed either Tekmira's or Protiva's technology and the combined company is eligible to receive milestone and royalty payments.

RNAi drugs have the potential to treat human diseases by "switching-off" genes that cause disease. The technology represents one of the most promising and rapidly advancing frontiers in biology and drug discovery – and was awarded the 2006 Nobel Prize for Physiology or Medicine.

The transaction, which has been unanimously approved by the Board of Directors of each of Protiva and Tekmira, will end all litigation between the two companies and their directors and officers. This includes all actions concerning contractual issues and rights to intellectual property surrounding the lipid delivery of siRNA.

Board and Management

The new Board of Directors will be comprised of four members from each company. Tekmira director K. Michael Forrest will become the Chairman of the Board of Directors of the combined company.

The new Tekmira management will be led by Dr. Mark J. Murray as President and CEO, currently Protiva's Chairman, President and CEO; Ian Mortimer as Executive Vice President and Chief Financial Officer, currently Chief Financial Officer of Tekmira; and Dr. Ian MacLachlan as Executive Vice President and Chief Scientific Officer, currently Chief Scientific Officer of Protiva. Timothy M. Ruane, Tekmira's current President and CEO, will resign upon the closing of the transaction but will continue to provide consulting services to Tekmira.

Mr. Ruane said, "The new Tekmira will create greater value for the shareholders of both Tekmira and Protiva than either company could achieve on its own. Protiva's progress in the field of RNAi therapeutics has attracted impressive partners and has led to the development of innovative products. The combined company will have a strong competitive position and a deep pipeline of product candidates."

Dr. Murray said, "This transaction will position the new Tekmira at the forefront of a new generation of RNAi drugs entering human clinical trials that are capable of fighting serious and life threatening diseases. We see a great opportunity to build significant long-term shareholder value and establish Tekmira as a global leader in the development of RNAi therapeutics. The potential of the combined company is a strong reflection of the outstanding capabilities of the employees of both companies. I

look forward to bringing our teams together to create a successful company."

The Transaction and Financial Resources

Tekmira will purchase all of the outstanding equity of Protiva by issuing 22.8 million shares and reserving 1.8 million shares for the exercise of Protiva stock options. Upon completion of the transaction, Protiva will become a wholly owned subsidiary of Tekmira. Tekmira currently has 24.6 million shares outstanding. As part of the transaction, upon closing, Alnylam and Roche will each invest $5 million for an aggregate investment of $10 million of Tekmira equity at a price of $2.40 per share. Upon close, Tekmira is expected to have 51.6 million shares outstanding and 5.4 million options outstanding: current Tekmira shareholders will own 48% of the combined company with Protiva shareholders owning 44% and Roche and Alnylam owning 4% each. The company will continue to trade on the Toronto Stock Exchange under the symbol "TKM".

The business combination will require Tekmira shareholder approval. Tekmira's annual general meeting and special shareholder meeting to approve the transaction will take place in late May 2008, with closing of the transaction to occur shortly thereafter.

At December 31, 2007 Tekmira had cash and equivalents of $20.9 million and Protiva had cash, short term investments and a cash investment tax receivable totalling $15.0 million. With the $10 million equity investment from Alnylam and Roche, the merged company is expected to have cash and equivalents of greater than $35 million at the close of the transaction in late May 2008.

The combined company is estimated to have sufficient financial resources to fund the Company's development plan for greater than 24 months.

The closing of the transaction is subject to a number of customary conditions, including, without limitation, the approval of Tekmira shareholders and the Toronto Stock Exchange, the completion of one or more equity offerings totalling at least $10 million with Alnylam, Roche or other persons, the completion of license and related agreements with Alnylam and Roche, the extinguishment of the current US$5 million loan facility made available by Alnylam to Tekmira, and the receipt of all required third party consents.

Desjardins Securities Inc. advised Tekmira with respect to the business combination.

Partnerships and Partnered Products

Tekmira has ongoing product development partnerships with Alnylam, Hana Biosciences Inc. (Nasdaq: HNAB) and Aradigm Corporation (Nasdaq: ARDM).

Protiva has ongoing strategic partnerships or license agreements with Alnylam and Merck and Protiva's technology is currently being evaluated by four other pharmaceutical companies through research agreements.

Alnylam
The new Tekmira will have a broad relationship with Alnylam whereby Alnylam has access to Tekmira's and Protiva's technology for the delivery of RNAi therapeutics. The combined company will be eligible to receive up to US$16 million in milestones on each and every RNAi therapeutic advanced by Alnylam or its partners, including Roche, that utilizes the new company's technology, as well as royalties on product sales. Another feature of the partnership with Alnylam is a license enabling Tekmira to develop seven siRNA drugs that use Alnylam's leading and broad intellectual property with respect to RNAi technology, subject to Alnylam's consent and any required consent from third parties. Tekmira will continue to provide research and development and manufacturing services to Alnylam.

Alnylam will also provide Regulus access to Tekmira's and Protiva's technology, and the combined company will be eligible to receive milestones and royalties on products advanced by Regulus that utilize the new company's technology. Regulus is a joint venture between Alnylam and Isis that is focusing on the discovery, development and commercialization of microRNA therapeutics.

Roche
As part of the transaction, Roche will enter into research and development agreements with both Tekmira and Protiva and Roche will have full access to all of Tekmira's and Protiva's intellectual property through Alnylam. The combined company will also be eligible to receive milestones on each and every RNAi therapeutic advanced by Roche that utilizes the new company's technology, as well as royalties on product sales.

Merck
The combined company will also have a license agreement with Merck whereby Merck has non-exclusive access to Protiva's technology for the development of RNAi therapeutics. Under the terms of the agreement, Merck will pay up to US$17 million in

milestones plus royalties based on the development of RNAi-based product candidates that utilize Protiva's technology.

Hana Biosciences and Aradigm
Tekmira also has license agreements with Hana Biosciences and Aradigm under which these companies can develop products based on Tekmira's technology. These companies are paying for 100% of all development costs and Tekmira is eligible to receive milestone payments based on progress and royalties based on sales.

The most advanced partnership is with Hana Biosciences covering the development and commercialization of three of Tekmira's targeted chemotherapy products — Marqibo® (vincristine sulfate liposomes injection), now in Phase 2 clinical trials as a treatment for adult patients with relapsed acute lymphoblastic leukemia; Alocrest, now in Phase 1 clinical trials as a treatment for refractory solid tumors; and Brakiva, which is expected to enter a Phase 1 clinical trial in 2008.

Product Pipeline – Internal products

Protiva's lead internal siRNA product, ApoB SNALP, has been shown in preclinical animal studies to eliminate diet-induced hypercholesterolemia, returning blood cholesterol levels to normal, with a single treatment. The suppressive effects of a single ApoB SNALP dose lasts for several weeks in mice and considerably longer in non-human primates. Protiva's current expectation is to begin a Phase 1 human clinical trial in the first half of 2009.

Protiva's second internal siRNA product, PLK1 SNALP, has been shown in preclinical animal studies to selectively kill cancer cells, while sparing normal healthy cells in the same tissue. In animal studies against three cancer causing target genes, Protiva's SNALP technology successfully silenced the targeted genes in the tumor cells, halting tumor cell growth. Protiva's current expectation is to begin a Phase 1 human clinical trial in 2009. Protiva has an agreement with Alnylam that gives Alnylam the ability to form a 50-50 cost sharing co-development and co-commercialization relationship with the company with respect to PLK1 SNALP. Alnylam has to exercise this right before or at the beginning of Phase 2 clinical trials.

Tekmira's lead internal product, TKM-0167, uses DNA oligonucleotides to stimulate the immune system to treat cancer. Preclinical studies have demonstrated the capability of TKM-0167 to enhance natural killer cell activity and to dramatically improve the anti-tumour effectiveness of monoclonal antibodies when tested in lymphoma and breast cancer models. Tekmira's current expectation is to file an investigational new drug (IND) application in 2008 to begin human clinical trials.

Both companies will continue to advance their own products until closing of the transaction. After closing, it is expected that the new Board of Directors will complete a portfolio review of the combined company's technology and products, including the timelines for the advancement of each product.

Technology Background

Liposomal drug delivery technology encapsulates active drugs inside lipid spheres, called liposomes. The encapsulated drugs are then administered to patients and carried through the bloodstream to the disease site where the active drug is released to carry out its therapeutic effect.

The new Tekmira, combining technology from both Tekmira and Protiva, believes that it will have one of the leading research teams and intellectual property portfolios in the field of liposomal nucleic acid delivery. Tekmira and Protiva each have numerous liposomal formulations to contribute to the new company that will enable the company to target large markets and to provide delivery solutions to partners.

Tekmira and Protiva each have liposome formulations suitable for a range of nucleic acid-based drugs, although both are focused on and have several formulations for RNAi therapeutics. Protiva's liposomal platform is called SNALP (for stable nucleic acid-lipid particles).

RNAi therapeutics are derived from a naturally occurring mechanism within cells for selectively silencing and regulating specific genes. Since many diseases are caused by the inappropriate activity of specific genes, the ability to silence genes selectively through RNAi offers a new way to treat a wide range of human diseases. While the mechanism is RNAi, the active therapeutics are called small interfering RNAs, abbreviated to "siRNA".

Tekmira also has liposome formulations for DNA oligonucleotides that have been shown in preclinical studies to stimulate the immune systems of animals to fight cancer cells. Protiva's SNALP platform also has formulations for aptamers and plasmid DNA.

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. In addition, this press release may contain forward-looking statements attributed to third party industry sources.

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.

More particularly and without limitation, this press release contains forward-looking statements and information concerning the business combination of Tekmira and Protiva; the potential of the combined company; the investments into the combined company to be made by Alnylam and Roche; arrangements to be entered into with Alnylam and Roche by the combined company; the combined company's level of cash and equivalents at closing; the estimate of the length of time that the combined company's development plan will be funded by its anticipated financial resources; the potential of RNAi therapeutics and nucleic acids as a treatment for diseases such as cancer; and the number and timing of advancement of products into clinical development.

The forward-looking statements and information are based on certain key expectations and assumptions made by Tekmira and Protiva, including expectations and assumptions concerning Tekmira, Protiva and the combined company's cash burn rate; the development of products; the actions of collaborative partners; the timing of receipt of regulatory and security holder approvals; the sufficiency of budgeted capital expenditures in carrying out planned activities; and the availability and cost of labour and services.

Such forward-looking statements and information involve known and unknown risks, uncertainties and 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, Protiva and the combined company, 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 the combined company's products, the safety and efficacy of the combined company's products, the ability to protect the combined company's intellectual property and dependence on collaborative partners.

There are also risks inherent in the nature of the proposed transaction. These risks including the possibility of not satisfying all closing conditions to complete the business combination (such as shareholder and regulatory approval, and raising the required capital); risks regarding the integration of the two entities; and incorrect assessments of the values of each entity. This press release also contains forward-looking statements and information concerning the anticipated timing for completion of the transaction. Tekmira and Protiva have provided these anticipated times in reliance on certain assumptions that they believe are reasonable at this time, including assumptions as to the time required to prepare meeting materials for mailing, the timing of receipt of the necessary regulatory approvals and the time necessary to satisfy the conditions to the closing of the transaction. These dates may change for a number of reasons, including unforeseen delays in preparing meeting materials, inability to secure necessary regulatory approvals in the time assumed or the need for additional time to satisfy the conditions to the completion of the transaction. Accordingly, readers should not place undue reliance on the forward-looking statements and information contained in this press release concerning these times.

A more complete discussion of the risks and uncertainties facing Tekmira appears in Tekmira's Annual Information Form for the year ended December 31, 2007 available at www.sedar.com. Tekmira, Protiva and the combined company disclaim 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.

About Tekmira
Tekmira Pharmaceuticals Corporation is a Canadian biopharmaceutical company developing and commercializing proprietary drugs and drug delivery systems to improve the treatment of cancer and other diseases. Further information about Tekmira and this news release can be found at www.tekmirapharm.com. Tekmira is based in Vancouver, B.C.

About Protiva
Protiva Biotherapeutics Inc. is a development stage biotechnology company, focused on pharmaceutical products to fight against cancer, metabolic and infectious disease. Protiva's technology, employing lipid nanoparticles to encapsulate and deliver nucleic acid based drugs, such as siRNA, allows for the development of molecular therapeutics that act selectively at sites of disease. Protiva is headquartered in Vancouver, BC. For more information, visit www.protivabio.com.

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