Form 51-102F3
MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

PACGEN BIOPHARMACEUTICALS CORPORATION
Suite 1730, One Bentall Centre
505 Burrard Street
Vancouver, BC V7X 1M6
(the "Corporation")

Item 2 Date of Material Change

December 29, 2008.

Item 3 News Release

The press release reporting the material change was disseminated on December 29, 2008 through the facilities of Marketwire L.P.

Item 4 Summary of Material Change

The Corporation announced on December 29, 2008 that it and Medigen Biotechnology Corp. ("Medigen") have mutually agreed to terminate their letter of intent for a business combination of the two companies.

Item 5 Full Description of Material Change

The Corporation announced that it and Medigen Biotechnology Corp. ("Medigen") have mutually agreed to terminate their letter of intent for a business combination of the two companies. In accordance with the letter of intent signed in October 2008, the closing of the proposed business combination was subject to certain terms and conditions, including obtaining necessary approvals to enter into a definitive agreement. The parties determined that, in a share for share exchange transaction, the regulatory requirements in Taiwan would require an issuer to redeem dissenting shareholder interests for cash. Both parties anticipated that this requirement would negatively affect the liquidity and capital resources of the combined company, and that the proposed merger would be a significant undertaking given current financial market conditions. As a result, both parties have mutually elected not to proceed with the signing of a definitive agreement.

Item 6 Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

Not applicable.

Item 7 Omitted Information

Not applicable.

Item 8 Executive Officer

For further information, contact:

Christina Yip
Chief Financial Officer
Telephone: (604) 629-3383
Email: cyip@pacgenbiopharm.com

Item 9 Date of Report

January 13, 2009.

PACGEN BIOPHARMACEUTICALS CORPORATION

Per: *"Christina Yip"*

Christina Yip
Chief Financial Officer