VIRALGENETICS

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April 2012 Shareholder Update

Dear fellow shareholders:

March was a busy month. We are excited about the progress we are making in both segments of the business. Let me share with you some of where we have been focusing our time and efforts as we manage our company's growth:

We've grown rapidly in the last few years, adding numerous potential drugs and drug targets to our product development pipeline, and we've simultaneously launched an energy / agri-tech subsidiary. As a result we've taken on a lot more individual projects than we had 3 or 4 years ago. In fact, we have 9 projects in Viral Genetics' pharma programs for various uses of our Targeted Peptides and Metabolic Disruption technology (TPT and MDT) in various diseases and at various stages, with others in development. Our VG Energy subsidiary, currently features about a dozen ongoing energy and agri-tech programs (both internally and with potential partners, licensors or customers). This growth has necessitated that we restructure our R&D programs through internal organizational changes, and we are implementing these changes to improve our ability to manage and move them forward.

In order to facilitate this growth, and more effectively manage and expand these existing programs and projects, we have brought on board some fantastic people to help originate opportunities for licensing, partnering, grant funding and financing. You have probably read about some of these people in our recent releases. Simultaneously we are looking to bring on individuals or groups to help us handle day-to-day, week-to-week operations once these opportunities are "in hand". Our initial target is for a program manager and/or regulatory affairs specialist to oversee our multiple drug programs in their various stages.

In previous press releases and filings we talked about the plan for completing a full IND for our HIV/AIDS drug candidate, APi1177. Specifically, we mentioned that we needed to attain "Good Laboratory Practice" or GLP-grade manufacturing in order to move ahead with certain studies that allow the IND to be completed (IND-enabling studies). We exceeded this goal by not only attaining GLP-grade product, but, with our manufacturer, we have attained the much higher standard of GMP or "Good Manufacturing Practices" grade product. This allows us to proceed with the IND-enabling studies. GMP is required for use in humans.

We've also begun a focused effort to seek grant funding from various federal sources. In late March we began the first application process under this new initiative for a grant related to our VG Energy subsidiary, and we are now identifying several dozen other potential grants for both VG Energy and our pharma programs that we intend to apply for in the near future.

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We believe this to be a prudent financial decision, as this remains the best source of funding available for R&D given its non-dilutive nature.

So where does this leave us? Our pace of progress continues to accelerate. We have several additional developmental targets with whom we have been working as potential partners or licensors. While this process is fraught with potential pitfalls, current indications are that we are nearing the conclusion of negotiations that we expect will leapfrog us further forward, and help speed us toward significant licensing or sales revenue. Stay tuned for our next update!

As always, thank you for your ongoing support and I invite you to feel free to contact us using the numbers below.

Haig Keledjian
President
Viral Genetics, Inc.

P.S.: Don't forget to watch for our 2011 Annual Report and Consolidated Financial Statements filed on www.otcmarkets.com later this month.

For further details on this document, please refer to the Company's filings on www.otcmarkets.com.

For more information on Viral Genetics, Inc. or VG Energy, Inc. please see our websites:
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SAFE HARBOR FOR FORWARD-LOOKING STATEMENTS:

This news release contains forward-looking statements that involve risks and uncertainties associated with financial projections, budgets, milestone timelines, clinical trials, regulatory approvals, and other risks described by Viral Genetics, Inc. from time to time in its periodic reports, including statements about its VG Energy, Inc. subsidiary. None of Viral Genetics' drug compounds are approved by the US Food and Drug Administration or by any comparable regulatory agencies elsewhere in the world, nor are any non-pharmaceutical products of VG Energy, Inc. commercialized. While Viral Genetics believes that the forward-looking statements and underlying assumptions reasonable, any of the assumptions could be inaccurate, including, but not limited to, the ability of Viral Genetics to establish the efficacy of any of its drug therapies in the treatment of any disease or health condition, the development of studies and strategies leading to commercialization of those drug compounds in the United States, the obtaining of funding required to carry out the development plan, the completion of studies and tests including clinical trials on time or at all, the successful outcome of such studies or tests, or the successful commercialization of VG Energy, Inc.’s non-pharmaceutical products. Therefore, there can be no assurance that the forward-looking statements included in this release will prove to be accurate. In light of the significant uncertainties inherent in the forward-looking statements included herein, the forward-looking statements should not be regarded as a representation by Viral Genetics or any other person that the objectives and plans of Viral Genetics will be achieved.