



VIRALGENETICS

2290 Huntington Drive, Suite 100, San Marino, CA, 91108, Tel: (626) 334-5310, Fax: (626) 334-5324

June 2012 President's Letter to Shareholders

Dear fellow shareholders:

First of all, a couple of shareholders asked why we did not issue a shareholder letter update in May. The reason was that our comprehensive Annual Report and Financial Statements were released mid-month. I strongly recommend that you read both as they are the most extensive update of our activities that you will find in one place.

In May we also announced the progress of the physician's Investigational New Drug ("IND") application submitted by Dr. Tyler Curiel of the Cancer Treatment and Research Center at the University of Texas Health Sciences Center at San Antonio Institute for Drug Development ("CTRC") for the clinical trial on drug resistant cancer patients using a combination of sorafenib and one of our metabolic disruption technology ("MDT") compounds. In May, the FDA exempted the study from a full IND, allowing it to proceed under the physician's IND; so, in effect it cleared the primary regulatory hurdle and is legally permitted to start.

Now that the FDA review is complete, we are in the process of waiting for the CTCRC institutional review board ("IRB") to complete their internal review of the protocol – largely a review of the ethics of the study. The second test site at Scott and White Hospital will also be required to complete an IRB review before we are allowed to enroll patients from there. We cannot guarantee the outcome, but given that a very well-regarded oncologist has supported and designed the protocol, and the FDA has already reviewed it, we are confident in IRB approval. As to when patients will start being enrolled and treated, I hope to have more to say this month but I am of the belief we are nearing enrollment at both test sites.

Our other drug research programs continue, although we do not have many tangible items to report this month. We are still finalizing scheduling a meeting with the FDA and our team to discuss our Lyme disease pre-IND submission from earlier this spring. Scheduling has been difficult with the number of people involved and the looming summer season. Following this meeting we expect to have a clear road map to follow towards clinical trials. That would bring us to two clinical-stage Targeted Peptide technology ("TPT") candidates, and three overall including the drug resistant MDT cancer study. And we are working on additional candidates in collaboration with clinicians as we continue to delve into the uses of our two licensed platform technologies.



VIRALGENETICS

2290 Huntington Drive, Suite 100, San Marino, CA, 91108, Tel: (626) 334-5310, Fax: (626) 334-5324

On the VG Energy front, we are continuing with testing of MDT compounds on algae and other plant cells. I hope to have more to say about this in the coming weeks.

As always, thank you for your ongoing support.

Haig Keledjian

President

Viral Genetics, Inc.

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:

www.viralgenetics.com

www.vgenenergy.net

Or contact:

Bryan Crane

Tel: (805) 294-3723

BCrane@BWAdvisory.com

Haig Keledjian

Tel: (626) 334-5310

info@viralgenetics.com



VIRALGENETICS

2290 Huntington Drive, Suite 100, San Marino, CA, 91108, Tel: (626) 334-5310, Fax: (626) 334-5324

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.