

December 18, 2013

Dear Shareholders,

As we close on 2013 I wanted to give you an update on the company. Much has happened and we anticipate 2014 to have important milestones.

As you know this year we moved corporate operations here to Santa Barbara, assumed the management functions and closed on our private placement financing. This new capital allowed us to start animal safety studies for our peptide drug VG1177, commence our financial audit and bolster our intellectual property. For example, we just secured VG1177's use patent for HIV/AIDS from the US Patent Office.

At the same time we have been continuing with important research at our Texas A&M laboratory, applying for research grants and advancing our clinical Phase I cancer trial at the University of Texas using our patented combination therapy which is showing excited results.

In 2014 we expect to meet these important milestones:

- Completion of our audited financials.
- Relisting on the OTC Bulletin Board.
- Completion of our clinical Phase I cancer trial.
- Select the VG1177 disease application for our Phase I clinical trial.
- Meet and update with the FDA on the VG1177 pre-clinical and clinical progress and process.
- Complete VG1177 animal safety studies.
- Begin VG1177 Phase I clinical trials.

To help us navigate through the complex pre-clinical and clinical process we have hired Chrysalis Pharma Partners, LLC, who are experienced biotech professionals. For example, they have helped our lab develop the proper clinical drug formulation, completed an on-site inspection of our animal safety study company ITR in Canada and developed a comprehensive and detailed preclinical schedule. Our path to monetize our patents is clearly data driven. As such, Chrysalis Pharma Partners, LLC is ensuring that we take that path methodically. Since its founding in 2001, VG Life Sciences, Inc. has spent over \$80 million in research, development, IP, pre-clinical and clinical trials. We believe that in 2014 those efforts will showcase our promising drug VG1177 into clinical trials.

As we move through 2014 we will keep you informed of our process.

Be well,

John P. Tynan

President & CEO

VG Life Sciences, Inc.

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