

Helix BioMedix Adds \$2.9 Million to Balance Sheet Following \$11.0 Million Corporate Debt Retirement

*Warrant Exercise, Debt Conversion and Private Placement Transactions
Average \$0.57 Per Share*

Bothell, Washington – Jan 20, 2011 – Helix BioMedix, Inc. (OTCBB:HXBM), a developer of bioactive peptides, today announced that it received an aggregate of approximately \$2.9 million from warrant exercises in December 2010 for 4,852,000 shares of common stock and from the issuance of 999,731 shares of common stock in December 2010 through a private placement financing. In addition, the company retired all of its 8% convertible notes payable due July 1, 2011 and July 1, 2013 in the aggregate principal amount of \$9,474,000 together with accrued interest thereon of approximately \$1,570,000, in connection with which the company issued 18,215,012 shares of common stock.

In total, the Company issued 24,066,743 shares of its common stock at an average price of \$0.57 per share through these transactions.

“This financing illustrates the continued confidence of our investors in Helix BioMedix to create value for its stockholders,” said R. Stephen Beatty, President and Chief Executive Officer. “These stockholders have converted or purchased more than 24 million shares of common stock at an average price of approximately \$0.57 per share, leaving Helix BioMedix debt free. I look forward to continued growth and advancement of our product initiatives toward further success.”

About Helix BioMedix, Inc.

Helix BioMedix, Inc. is a biopharmaceutical company with an extensive library of diverse bioactive peptides and patents covering six distinct classes and hundreds of thousands of peptide sequences. Core competencies include peptide design, synthesis and characterization together with assay development, screening, tissue culture and microbiology, leveraged through relationships with contract research organizations and peptide manufacturers. The company takes product development programs from theoretical concept to a qualified skin care active ingredient fully validated as to efficacy and safety. Applications for Helix BioMedix peptides include anti-aging cosmeceutical skin care and acne treatment as well as other topical anti-infective pharmaceuticals and wound healing applications. Striking[®], Cerakine[™], and SmartPeptide[™] are trademarks of Helix BioMedix, Inc. More information about the company and its proprietary peptides may be found on the company’s website at www.helixbiomedix.com.

Forward Looking Statements

This press release contains forward-looking statements (statements which are not historical facts) within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include statements regarding activities, events or developments that the company expects, believes or anticipates may occur in the future, including statements related to its potential growth, product development and commercialization and revenue. A number of factors could cause actual results to differ from those indicated in the forward-looking statements, including the company’s ability to successfully raise additional capital, enter into revenue generating license agreements, continue its research and development efforts, including pre-clinical and clinical studies, and continue developing marketable peptide-based products, and general economic conditions. Additional assumptions, risks and uncertainties are described in detail in the company’s reports and other filings with the Securities and Exchange Commission. Such filings are available on the company’s website or at www.sec.gov. Readers are cautioned that such forward-looking statements are not guarantees of future performance and that actual

results or developments may differ materially from those set forth in the forward-looking statements. The company undertakes no obligation to publicly update or revise forward-looking statements to reflect subsequent events or circumstances.

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