UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of
The Securities Exchange Act of 1934

Date of report (Date of earliest event reported): May 25, 2006

VICAL INCORPORATED

(Exact name of registrant as specified in charter)

Delaware	**000-21088**	**93-0948554**
(State or other jurisdiction of incorporation)	*(Commission File Number)*	*(I.R.S. Employer Identification No.)*

10390 Pacific Center Court **San Diego, California** *(Address of principal executive offices)*	**92121-4340** *(Zip Code)*

Registrant's telephone number, including area code: (858) 646-1100

Not Applicable.
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01 Entry into a Material Definitive Agreement.

On May 25, 2006, Vical Incorporated entered into a Research and Development Agreement (the "R&D Agreement") with AnGes MG Inc. for the development of Vical's Allovectin-7® cancer immunotherapeutic. Under the R&D Agreement, AnGes will fund a Phase 3 pivotal trial to be conducted by Vical in the United States in accordance with a Special Protocol Assessment, which Vical successfully completed in 2005 with the U.S. Food and Drug Administration ("FDA").

The term of the research project is expected to begin on April 1, 2006 and continue until the filing of the first Biologic License Application with the FDA related to an Allovectin-7® product in melanoma. During the project term, Vical will receive project funding from AnGes in scheduled increments and times and in the form of both research and development payments and equity investments. The total amount of funding Vical is to receive from AnGes for the project is anticipated to be $22.6 million. If the project costs exceed that amount, Vical and AnGes have agreed to share the excess costs up to certain limits.

Under the R&D Agreement, Vical has granted to AnGes exclusive marketing rights for Allovectin-7® in specified countries in Asia and AnGes has agreed to pursue regulatory approvals in those countries, subject to receipt by Vical of regulatory approval in the United States. Vical has also granted AnGes certain royalty-bearing licenses to its technology and know-how.

If a product is approved for sale, Vical is eligible to receive royalties and up to $77.5 in total sales milestones based on net sales in the countries in Asia where AnGes has exclusive marketing rights. Vical, in turn, is obligated to pay to AnGes tiered royalties on sales in the United States, including a minimum royalty, and fixed royalties in all other territories in which Vical sells the product.

The term of the R&D Agreement will continue until the expiration of Vical's and AnGes' obligations to pay royalties, unless the agreement is terminated by Vical or AnGes on an earlier date. Under the terms of the R&D Agreement, either Vical or AnGes may terminate the agreement if the other party has breached a material provision and not cured the breach after receiving notice, if specified adverse events occur during the project, or if the other party enters bankruptcy. Also, AnGes may terminate the R&D Agreement if its cash and cash equivalents fall and remain below a specified level.

In connection with the equity investments contemplated by the R&D Agreement, Vical and AnGes also entered into a Stock Purchase Agreement on May 25, 2006. Pursuant to the Stock Purchase Agreement, AnGes has agreed to purchase up to an aggregate of $10,850,000 of Vical's common stock in two closings. In the first closing, which will occur on or about May 30, 2006, AnGes will purchase $6,900,000 worth of Vical's common stock at a per share price of $6.50. At the second closing, subject to certain conditions set forth in the Stock Purchase Agreement, AnGes will purchase an additional $3,950,000 worth of Vical's common stock at a per share price equal to the volume weighted average price of Vical's common stock for the 30 trading days ending on the second trading day before the second closing, as reported on the Nasdaq National Market. However, if the total number of shares of Vical's common stock issued under the Stock Purchase Agreement would exceed 19.99 percent of Vical's outstanding common stock as of the date of the second closing, Vical has agreed to seek stockholder approval for the issuance of the full amount of shares contemplated by the Stock Purchase Agreement. If Vical is unable to obtain such stockholder approval, AnGes will not be obligated to purchase the portion of the shares that would exceed the 19.99 percent limit.

The shares of Vical's common stock which may be issued to AnGes under the Stock Purchase Agreement will be issued pursuant to the exemption from the registration requirements of the Securities Act of 1933, as amended (the "Securities Act"), afforded by Section 4(2) of the Securities Act and Rule 506 of Regulation D promulgated thereunder, as a transaction to an accredited investor not involving a public offering. AnGes will represent to Vical upon each of the two closings under the Stock Purchase Agreement, that its intention is to acquire the securities for investment only and not with a view to the resale or distribution of the securities.

Under the Stock Purchase Agreement, Vical has also granted AnGes limited rights to require Vical to register the shares of common stock under the Securities Act. AnGes has also agreed to certain transfer restrictions with respect to the shares of common stock sold under the Stock Purchase Agreement during the term of the project and has further agreed to certain standstill provisions whereby AnGes will refrain from acquiring or taking certain other actions with respect to Vical's common stock, subject to certain exceptions.

Copies of the press releases Vical issued with respect to the execution of the R&D Agreement are furnished with this current report as Exhibits 99.1 and 99.2.

Forward-Looking Statements

This current report contains certain forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934, as amended, including statements regarding the purchase of shares of Vical's common stock, potential milestone and royalty payments under the R&D Agreement and the research and development of Vical's Allovectin-7® cancer immunotherapeutic under the R&D Agreement, including the planned Phase 3 clinical trial. Such statements reflect Vical's current views and assumptions and are subject to risks and uncertainties. Actual results could differ materially from those projected herein. Factors that could cause or contribute to such differences include, but are not limited to: whether Vical or others will continue development of Allovectin-7®; whether Vical will be able to recruit patients as planned, if at all; whether the results from the Phase 2 trial are indicative of results in any future testing; whether Vical will receive all of the clinical trial funding from AnGes under the collaborative agreement, which will depend on continued development of Allovectin-7® and certain other conditions; whether Vical will receive any or all of the sales-based milestone payments and royalties for sales in the specified Asian countries, which will depend on the efforts of AnGes in obtaining regulatory approval and commercializing Allovectin-7®; in those countries; whether Vical or others will evaluate potential additional applications of Vical's technology; whether Allovectin-7® or any other product candidates will be shown to be safe and effective; the timing, nature and cost of clinical trials; whether Vical or its collaborative partners will seek or gain approval to market any product candidates; whether Vical or its collaborative partners will succeed in marketing any product candidates; whether defined sales levels will be achieved in any markets; and those factors and risks discussed in Vical's Quarterly Report on Form 10-Q for the quarter ended March 31, 2006 and Vical's other filings with the Securities and Exchange Commission. As a result, you are cautioned not to rely on these forward-looking statements. Vical disclaims any duty to update any forward-looking statement to reflect events or circumstances that occur after the date on which such statement is made.

Item 3.02 Unregistered Sale of Equity Securities.

The information set forth in Item 1.01 of this current report is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

99.1 Press release, dated May 29, 2006, of Vical Incorporated.

99.2 Press release, dated May 30, 2006, of Vical Incorporated.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

VICAL INCORPORATED

Date: May 30, 2006

By: /s/ JILL M. CHURCH

Jill M. Church
Vice President, Chief Financial Officer and Secretary

INDEX TO EXHIBITS

99.1 Press release, dated May 29, 2006, of Vical Incorporated.

99.2 Press release, dated May 30, 2006, of Vical Incorporated.

Exhibit 99.1

Vical Announces News Release and Conference Call Schedule to Discuss Collaborative Agreement With AnGes MG for Allovectin-7(R)

SAN DIEGO, May 29 /PRNewswire-FirstCall/ -- Vical Incorporated (Nasdaq: VICL) today announced that the company will report terms of a collaborative agreement with AnGes MG, Inc. (TSE Mothers: 4563) for Vical's Allovectin-7(R) cancer immunotherapeutic before the opening of trading on Tuesday, May 30, and conduct a conference call and webcast to discuss additional details of the agreement with invited analysts and institutional investors at 10 a.m. Eastern Time on Tuesday, May 30. The call is open on a listen-only basis to any interested parties. The call also will be available live and archived through the webcast center at www.vical.com.

To listen to the conference call, dial (888) 224-3260, or (913) 905-1086 for international participants. A replay of the call will be available for 48 hours beginning about two hours after the call. To listen to the replay, dial (888) 203-1112, or (719) 457-0820 for international participants, and enter conference identification number 6360841. For further information, contact Vical's Investor Relations department by phone at (858) 646-1127 or by e-mail at info@vical.com.

About Vical

Vical researches and develops biopharmaceutical products based on its patented DNA delivery technologies for the prevention and treatment of serious or life-threatening diseases. Potential applications of the company's DNA delivery technology include DNA vaccines for infectious diseases or cancer, in which the expressed protein is an immunogen; cancer immunotherapeutics, in which the expressed protein is an immune system stimulant; and cardiovascular therapies, in which the expressed protein is an angiogenic growth factor. The company has developed certain infectious disease vaccines and cancer therapeutics internally. In addition, the company collaborates with major pharmaceutical companies and biotechnology companies that give it access to complementary technologies or greater resources. These strategic partnerships provide the company with mutually beneficial opportunities to expand its product pipeline and serve significant unmet medical needs. Additional information on Vical is available at www.vical.com.

This press release contains forward-looking statements subject to risks and uncertainties that could cause actual results to differ materially from those projected, including: whether Vical or others will continue development of Allovectin-7(R); whether Allovectin-7(R) or any other product candidates will be shown to be safe and effective; the timing, nature and cost of clinical trials; whether Vical or its collaborative partners will seek or gain approval to market Allovectin-7(R) or any other product candidates; whether Vical or its collaborative partners will succeed in marketing any product candidates; whether defined sales levels will be achieved in any markets; and additional risks set forth in the company's filings with the Securities and Exchange Commission. These forward-looking statements represent the company's judgment as of the date of this release. The company disclaims, however, any intent or obligation to update these forward-looking statements.

Contacts:

Investors:
Alan R. Engbring
Vical Incorporated
(858) 646-1127
Website: www.vical.com

Media:
Susan Neath
Porter Novelli Life Sciences
(858) 527-3486

SOURCE Vical Incorporated

-0- 05/29/2006

/CONTACT: Investors, Alan R. Engbring of Vical Incorporated, +1-858-646-1127; or Media, Susan Neath of Porter Novelli Life Sciences, +1-858-527-3486, for Vical Incorporated/

/Web site: http://www.vical.com /

(VICL)

Exhibit 99.2

Vical and AnGes MG to Collaborate on Allovectin-7(R) and Begin Phase 3 Pivotal Trial

Conference Call and Webcast Scheduled for 10 a.m. ET

SAN DIEGO and TOKYO, May 30 /PRNewswire-FirstCall/ -- Vical Incorporated (Nasdaq: VICL) and AnGes MG, Inc. (TSE Mothers: 4563) today announced a collaborative agreement for Vical's Allovectin-7(R) cancer immunotherapeutic. Under the agreement, AnGes will provide up to $100 million in ongoing clinical trial funding and future sales-based milestones as Allovectin-7(R) is successfully commercialized. Vical retains exclusive marketing rights for Allovectin-7(R) in the United States and the rest of the world outside of specified Asian countries, for which AnGes received exclusive rights.

Through a scheduled series of cash payments and equity investments totaling $22.6 million, including an initial equity investment of $6.9 million, AnGes will fund the Phase 3 pivotal trial of Allovectin-7(R) to be conducted by Vical in the United States in accordance with a Special Protocol Assessment (SPA) completed with the U.S. Food and Drug Administration (FDA). Vical has made significant preparations for timely initiation of the Phase 3 trial, and will be actively recruiting additional clinical sites at the annual meeting of the American Society of Clinical Oncology June 2 through 6 in Atlanta, Georgia.

AnGes will pay Vical royalties on product sales in the specified Asian countries, plus the above-mentioned milestones as defined sales levels are achieved. Vical will pay AnGes tiered royalties based on defined sales levels in the United States, and fixed royalties on rest-of-world sales. Each company will be responsible for obtaining regulatory approvals in any countries where it plans to market Allovectin-7(R).

"We established a mutually beneficial relationship last year with AnGes in the angiogenesis field," said Vijay Samant, President and Chief Executive Officer of Vical," and we believe the Allovectin-7(R) agreement expands our opportunities for success. Now that we can advance this key program mitigating the financial risk of independent development, we are eager to begin the Phase 3 trial of Allovectin-7(R) as soon as possible."

"We have been pleased in our ongoing relationship with Vical and being able to further strengthen the strategic relationship between us in the field of gene therapy," said Ei Yamada, President and CEO of AnGes MG, "and through this new arrangement we see great potential to bring Allovectin-7(R) into the Asian market for melanoma and other cancer indications. We believe our new partnership will yield further collaboration and substantial benefits for both parties in the future."

Conference Call

Vical will conduct a conference call and webcast to discuss additional details of the agreement with invited analysts and institutional investors on Tuesday, May 30, at 10 a.m. Eastern Time. The call and webcast are open on a listen-only basis to any interested parties. To listen to the conference call, dial (888) 224-3260, or (913) 905-1086 for international participants. A replay of the call will be available for 48 hours beginning about two hours after the call. To listen to the replay, dial (888) 203-1112, or (719) 457-0820 for international participants, and enter conference identification number 6360841. The call also will be available live and archived through the webcast center at www.vical.com. For further information, contact Vical's Investor Relations department by phone at (858) 646-1127 or by e-mail at info@vical.com.

About Allovectin-7(R)

Allovectin-7(R) is a plasmid/lipid complex containing the DNA sequences encoding HLA-B7 and beta-2 microglobulin, which together form a Class I Major Histocompatibility Complex, or MHC-I antigen. Injection of Allovectin-7(R) directly into tumor lesions may augment the immune response against both local and distant metastatic tumors. Vical conducted a large Phase 2 trial evaluating high-dose, 2 mg, Allovectin-7(R) immunotherapeutic as a single agent for patients with Stage III or IV metastatic melanoma, who have few other treatment options. Based on advice from clinical experts and detailed guidance received from the FDA in End-of-Phase 2 meetings, Vical successfully completed a SPA with the FDA for a Phase 3 trial of high-dose, 2 mg, Allovectin-7(R) for certain patients with metastatic melanoma. The SPA specifies the trial objectives and design, clinical endpoints, and planned analyses expected to be needed for product approval.

The Phase 3, randomized, multi-center, open-label trial calls for enrollment of approximately 375 patients with recurrent metastatic melanoma. Patients may have been treated with surgery, adjuvant therapy, and/or biotherapy, but cannot have been treated with chemotherapy. The patients will be randomized on a 2:1 basis: approximately 250 patients will be treated with Allovectin-7(R) and approximately 125 will be treated with their physician's choice of either of two chemotherapy agents, dacarbazine or temozolomide. The primary endpoint is a comparison of objective response rates at 24 weeks or more after randomization.

About Metastatic Melanoma

The American Cancer Society estimates that approximately 62,000 new diagnoses of, and approximately 7,900 deaths from, melanoma will occur in 2006 in the United States. Currently, there are no consistently effective therapies for advanced cases of malignant melanoma where the cancer has spread to other parts of the body, or metastasized. The toxicity associated with FDA-approved treatments such as dacarbazine or IL-2 is often significant, resulting in serious or life-threatening side effects in many of the patients treated. Patients with metastatic melanoma often are treated with non-approved drugs such as temozolomide, which is approved for certain types of brain cancer. Temozolomide is an orally-delivered pro-drug that converts in the body into the same active compound as dacarbazine.

About Vical

Vical researches and develops biopharmaceutical products based on its patented DNA delivery technologies for the prevention and treatment of serious or life-threatening diseases. Potential applications of the company's DNA delivery technology include DNA vaccines for infectious diseases or cancer, in which the expressed protein is an immunogen; cancer immunotherapeutics, in which the expressed protein is an immune system stimulant; and cardiovascular therapies, in which the expressed protein is an angiogenic growth factor. The company has developed certain infectious disease vaccines and cancer therapeutics internally. In addition, the company collaborates with major pharmaceutical companies and biotechnology companies that give it access to complementary technologies or greater resources. These strategic partnerships provide the company with mutually beneficial opportunities to expand its product pipeline and serve significant unmet medical needs. Additional information on Vical is available at www.vical.com.

About AnGes MG

AnGes MG, Inc. is a biopharmaceutical company founded December 1999 based on innovative discoveries by researchers of Osaka University. The company specializes in research and development and practical application of DNA-based therapeutics. The company, along with its subsidiaries, is engaged in developing three new medicines: HGF genetic medicine which improves blood circulation by regenerating blood vessels, NFkB decoy which controls various inflammations, and HVJ envelope vector for non-viral drug delivery and discovery. Additional information on AnGes MG is available at www.anges-mg.com.

This press release contains forward-looking statements subject to risks and uncertainties that could cause actual results to differ materially from those projected, including: whether Vical or others will continue development of Allovectin-7(R); whether Vical will be able to recruit patients as planned, if at all; whether the results from the Phase 2 trial are indicative of results in any future testing; whether Vical will receive all of the clinical trial funding from AnGes under the collaborative agreement, which will depend on continued development of Allovectin-7(R) and certain other conditions; whether Vical will receive any or all of the sales-based milestone payments and royalties for sales in the specified Asian countries, which will depend on the efforts of AnGes in obtaining regulatory approval and commercializing Allovectin-7(R) in those countries; whether Vical or others will evaluate potential additional applications of the company's technology; whether Allovectin-7(R) or any other product candidates will be shown to be safe and effective; the timing, nature and cost of clinical trials; whether Vical or its collaborative partners will seek or gain approval to market any product candidates; whether Vical or its collaborative partners will succeed in marketing any product candidates; whether defined sales levels will be achieved in any markets; and additional risks set forth in the company's filings with the Securities and Exchange Commission. These forward-looking statements represent the company's judgment as of the date of this release. The company disclaims, however, any intent or obligation to update these forward-looking statements.

Contacts: Investors:
Alan R. Engbring
Vical Incorporated
(858) 646-1127

Media:
Susan Neath
Porter Novelli Life Sciences
(858) 527-3486

SOURCE Vical Incorporated

-0- 05/30/2006

/CONTACT: Investors, Alan R. Engbring of Vical Incorporated, +1-858-646-1127; or Media, Susan Neath, Porter Novelli Life Sciences, +1-858-527-3486, for Vical Incorporated/

/Web site: http://www.vical.com
http://www.anges-mg.com /

(VICL)