



ConjuChem Biotechnologies Inc.
225, President-Kennedy Avenue
Third Floor, Suite 3950
Montréal, Québec H2X 3Y8
Canada

For immediate release

ConjuChem Biotechnologies Announces Fiscal 2009 Year-End Financial Results

MONTREAL, Canada, January 29, 2010 – ConjuChem Biotechnologies Inc. (TSX: CJB) today announced financial results for its fiscal year ended October 31, 2009.

“We achieved an important milestone this year by confirming that PC-DAC™:Exendin-4 achieved statistically significant glycemic control and weight loss in Phase II clinical trials for Type 2 diabetes. The data achieved our efficacy and safety objectives and confirmed statistically significant reductions in HbA1c versus both baseline and placebo seen in all active treatment groups throughout the treatment period,” said Mark Perrin, President and CEO of ConjuChem. “We achieved these results within a challenging capital markets environment. Based on our current situation, the Board of Directors recently established a Special Committee of independent Board members to thoroughly explore and evaluate all strategic alternatives for the Company. While we have built a strong foundation with our albumin conjugation technology platform, we have an obligation to consider all legitimate options that may enhance value for stakeholders. We have reached a stage that necessitates we explore all opportunities available to us. Our intention is to report on this process once the Board has approved a specific transaction or other strategic alternative.”

The Company’s net loss for the quarter ended October 31, 2009 amounted to \$2.5 million or (\$0.01) per share, compared to \$10.9 million or (\$0.04) per share, for the quarter ended October 31, 2008. The net loss for the year ended October 31, 2009 amounted to \$15.8 million or (\$0.06) per share, compared to \$39.4 million or (\$0.16) per share, for the year ended October 31, 2008. The decrease is mainly attributable to a decrease in net research and development expenses of \$15.8 million described below resulting from the completion of the Phase II clinical trials for PC-DAC™:Exendin-4 in November 2008 and a reduction in research activities.

The Company recorded interest income on cash and short-term investments that amounted to \$13,226 for the quarter ended October 31, 2009 compared to \$194,703 for the same period last year. Interest income for the year ended October 31, 2009 was \$167,515 versus \$1.4 million for fiscal 2008. The decrease in interest income was a result of a reduced investment portfolio base combined with a marked general decrease in market rates.

Net research and development expenses have decreased significantly in the quarter ended October 31, 2009 to a recovery of expenses of \$89,654 as compared to \$6.6 million for the quarter ended October 31, 2008. Net research and development expenses amounted to \$5.7 million for the year ended October 31, 2009 compared to \$21.5 million for fiscal 2008. The decrease is largely attributable due to the completion of the Phase II clinical trials for PC-DAC™:Exendin-4 in November 2008, a reduction in research activities and to the recovery of the clinical trials costs from a clinical research organization for a PC-DAC™:Exendin-4 study.

General and administrative costs amounted to \$819,839 for the quarter ended October 31, 2009 compared to \$2.0 million for the quarter ended October 31, 2008. For the year ended October 31, 2009 general and administrative costs amounted to \$2.9 million, compared to the \$6.0 million incurred for the same period the previous year. The decrease in general and administrative expenses is largely attributable to fees related to the early redemption of the convertible senior unsecured notes in the year ended October 31, 2008 and by the reversal of a tax withholding contingency amounting to \$1,257,000 in 2009.

At October 31, 2009, the Company had cash and cash equivalents and short-term investments totalling \$7.5 million and an additional \$1.6 million in accounts receivables and investment tax credits receivable, compared to \$21.1 million as at October 31, 2008. As at October 31, 2009, working capital amounted to \$6.1 million. The Company believes that its current cash and cash equivalents, investments and interest income will be sufficient to carry out operations into the third quarter of the year ending 2010.

About ConjuChem

ConjuChem, a developer of next generation medicines from therapeutic peptides, creates long-acting compounds based on its proprietary bioconjugation platform technology. The Company has two major development programs: PC-DAC™:Exendin-4, a GLP-1 receptor agonist in Phase II clinical development and PC-Insulin, a long-acting basal insulin in preclinical development.

Detailed descriptions of the Company and its technologies can be viewed on the Company's website www.conjuchem.com.

Forward-Looking Statements

Some of the statements made herein may constitute forward-looking statements. These statements relate to future events or our future financial performance and involve known and unknown risks, uncertainties and other factors that may cause ConjuChem's actual results, performance or achievements to be materially different from those expressed or implied by any of the Company's statements. Actual events or results may differ materially. We disclaim any intention, and assume no obligation, to update these forward-looking statements.

For more information, please contact:

Mark Perrin
President and CEO
ConjuChem Biotechnologies Inc.
514-844-5558 ext 311
perrin@conjuchem.com

Ross Marshall
Investor Relations
416-815-0700 ext. 238
RMarshall@equicomgroup.com

ConjuChem Biotechnologies Inc.

BALANCE SHEETS

As at October 31

	2009	2008
	\$	\$
ASSETS		
Current		
Cash and cash equivalents	1,743,327	2,187,423
Investments	5,717,766	18,934,737
Accounts receivable	1,087,670	160,644
Investment tax credits receivable	524,000	542,000
Prepaid expenses	181,799	229,006
Total current assets	9,254,562	22,053,810
Property, plant and equipment	635,550	841,685
Intangible assets	5,554	11,108
	9,895,666	22,906,603
LIABILITIES AND SHAREHOLDERS' DEFICIENCY		
Current liabilities		
Accounts payable and accrued liabilities	3,135,216	10,080,463
Total current liabilities	3,135,216	10,080,463
Convertible unsecured subordinated debentures	16,548,369	13,634,906
	19,683,585	23,715,369
Shareholders' deficiency		
Capital stock	266,858,635	266,823,735
Warrants	10,817,394	10,817,394
Equity portion of convertible unsecured subordinated debentures	5,184,867	5,193,793
Contributed surplus	55,533,174	48,818,826
Deficit	(348,182,669)	(332,390,857)
Accumulated other comprehensive loss	680	(71,657)
Total shareholders' deficiency	(9,787,919)	(808,766)
	9,895,666	22,906,603

ConjuChem Biotechnologies Inc.

STATEMENTS OF DEFICIT

Years ended October 31

	2009	2008
	<u>\$</u>	<u>\$</u>
Deficit, beginning of year	(332,390,857)	(292,973,699)
Net loss for the year	(15,791,812)	(39,417,158)
Deficit, end of year	<u>(348,182,669)</u>	<u>(332,390,857)</u>

ConjuChem Biotechnologies Inc.

**STATEMENTS OF OPERATIONS AND
COMPREHENSIVE LOSS**

Years ended October 31

	2009	2008
	\$	\$
REVENUES		
Contract revenues	37,113	60,731
Interest income	167,515	1,449,360
	<u>204,628</u>	<u>1,510,091</u>
EXPENSES		
Research and development	8,351,483	22,212,279
Investment tax credits	(2,641,174)	(701,306)
Net research and development expenses	5,710,309	21,510,973
General and administrative expenses	2,878,492	5,965,092
Amortization of property, plant and equipment	166,090	220,918
Amortization of intangible assets	5,554	10,122
Stock-based compensation	2,570,038	2,567,057
Financial charges	13,953	209,500
Foreign exchange loss	85,711	937,925
Accretion in carrying value of convertible senior unsecured notes and interest	—	5,504,427
Accretion in carrying value of convertible unsecured subordinated debentures and interest	4,566,293	3,733,796
Loss on redemption of long-term investments	—	267,439
	<u>15,996,440</u>	<u>40,927,249</u>
Net loss for the year	(15,791,812)	(39,417,158)
Other comprehensive loss		
Unrealized gain (loss) on investments	72,337	(56,324)
Comprehensive loss	(15,719,475)	(39,473,482)
Basic and diluted loss per share		
	(0.06)	(0.16)
Weighted average number of common shares outstanding during the year		
	250,548,685	244,260,543

ConjuChem Biotechnologies Inc.

STATEMENTS OF CASH FLOWS

Years ended October 31

	2009	2008
	\$	\$
OPERATING ACTIVITIES		
Net loss for the year	(15,791,812)	(39,417,158)
Items not affecting cash		
Amortization of property, plant and equipment	166,090	220,918
Amortization of intangible assets	5,554	10,122
Amortization of premium on long-term investments	—	(8,436)
Stock-based compensation	2,570,038	2,567,057
Accretion in carrying value of convertible senior unsecured notes and interest	—	5,504,427
Accretion in carrying value of convertible unsecured subordinated debentures	2,939,437	2,292,066
Gain on sale of property, plant and equipment	(44,273)	—
Loss on redemption of long-term investments	—	267,439
	<u>(10,154,966)</u>	<u>(28,563,565)</u>
Net changes in non-cash working capital balances related to operations	(7,807,066)	2,018,463
Cash flows relating to operating activities	(17,962,032)	(26,545,102)
INVESTING ACTIVITIES		
Acquisition of investments	(12,277,560)	(46,878,259)
Proceeds on maturities of investments	25,566,868	52,684,741
Acquisition of long-term investments	—	(167,037)
Proceeds on redemption of long-term investments	—	59,644,133
Acquisition of property, plant and equipment	(13,138)	(13,456)
Proceeds from sale of property, plant and equipment	97,456	—
Acquisition of intangible assets	—	(1,973)
Cash flows relating to investing activities	13,373,626	65,268,149
FINANCING ACTIVITIES		
Proceeds from reorganization	5,000,000	—
Costs of reorganization	(855,690)	—
Repayment of convertible senior unsecured notes	—	(58,006,914)
Issuance of convertible unsecured subordinated debenture units	—	22,000,000
Issuance costs paid in cash	—	(1,764,414)
Cash flows relating to financing activities	4,144,310	(37,771,328)
Net change in cash and cash equivalents during the year	(444,096)	951,719
Cash and cash equivalents, beginning of year	2,187,423	1,235,704
Cash and cash equivalents, end of year	1,743,327	2,187,423
Supplemental cash flow information:		
Interest paid	1,727,229	13,899,840