



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

For immediate release

ConjuChem Biotechnologies Announces Fiscal 2006 Year-End Financial Results

MONTREAL, Canada, January 29, 2007 – ConjuChem Biotechnologies Inc. (TSX: CJB) today announced financial results for its fiscal year, ended October 31, 2006.

“Fiscal 2006 was highlighted by the progress we made with our lead compound, PC-DAC™:Exendin-4. Final data from our Phase I/II single-dose trials confirmed excellent tolerability and positive efficacy on glucose reduction and weight loss,” said Lennie Ryer, Vice-President and Chief Financial Officer. “Armed with a strong balance sheet and pending near-term data from our Phase I/II multi-dose study, we anticipate 2007 will be an important year for confirming the efficacy, safety and extended duration of activity of PC-DAC™:Exendin-4.”

The Company’s net loss for the year ended October 31, 2006 was \$46.2 million or (\$0.90) per share, compared to \$38.5 million or (\$0.83) per share, for the year ended October 31, 2005. The increase in the net loss is mainly attributable to an increase in net research and development expenses of \$6.9 million.

The Company recorded interest income on cash and short-term investments of \$477,400 for the year versus \$623,389 for the same period last year. The decrease in interest revenue was a result of the reduced investment portfolio available.

Net research and development expenses amounted to \$30.9 million for the year-ended October 31, 2006, compared to \$23.9 million for the year ended October 31, 2005. The increase in these costs is largely attributable to costs of the clinical development programs for DAC™: GRF and PC-DAC™:Exendin-4. General and administrative costs for the year ended October 31, 2006 amounted to \$4.8 million compared to \$4.5 million for the same period last year.

At October 31, 2006, the Company had cash and cash equivalents of \$11.3 million and a working capital deficiency of \$350,000. Subsequent to year’s end, the Company significantly improved its balance sheet with the closing of a public offering that resulted in gross proceeds of \$120.5 million.

Outlook

The Company’s development priorities for 2007 will focus on advancing PC-DAC™:Exendin-4. The Company intends to complete its PC-DAC™:Exendin-4 Phase I/II Multi-dose clinical trial which will enable it to build a data base to satisfy the regulatory requirements to support the start of a Phase II program for the compound.

The Company intends to initiate the first PC-DAC™:Exendin-4 Phase II clinical trial during the course of 2007 and to undertake the necessary toxicology studies and manufacturing processes to ensure rapid progression into Phase III studies.

About ConjuChem Biotechnologies Inc.

ConjuChem, developer of next generation medicine from therapeutic peptides, is creating long-acting compounds based on bioconjugation platform technologies. When applied to peptides, the Company's systemic DAC[™] and PC-DAC[™] technologies enable the creation of new drugs with significantly enhanced therapeutic properties as compared to the original peptide. A detailed description of the Company can be viewed on the Company's website at www.conjuchem.com.

For more information, please contact:

Lennie Ryer, CA
Vice President Finance, CFO
ConjuChem Biotechnologies Inc.
514-844-5558 ext 224
ryer@conjuchem.com

Michael Polonsky
Investor Relations
416-815-0700 ext. 231
416-815-0080
mpolonsky@equicomgroup.com

ConjuChem Biotechnologies Inc.

BALANCE SHEETS

As at October 31

	2006	2005
	\$	\$
ASSETS		
Current		
Cash and cash equivalents	4,034,937	137,218
Short-term investments	7,244,401	17,708,732
Accounts receivable	394,758	331,174
Investment tax credits recoverable	550,000	1,030,000
Prepays	288,746	280,029
Total current assets	12,512,842	19,487,153
Deferred financing fees	74,675	109,563
Property, plant and equipment	1,161,886	1,327,200
Intangible assets	33,068	66,136
	13,782,471	20,990,052
LIABILITIES AND SHAREHOLDERS' DEFICIENCY		
Current liabilities		
Accounts payable and accrued liabilities	12,862,582	4,898,493
Total current liabilities	12,862,582	4,898,493
Convertible senior unsecured notes	45,276,400	39,183,820
	58,138,982	44,082,313
Shareholders' deficiency		
Capital stock	162,017,141	147,169,448
Warrants	3,276,000	3,276,000
Equity portion of convertible senior unsecured notes	14,966,780	14,966,780
Contributed surplus	22,466,527	12,413,577
Deficit	(247,082,959)	(200,918,066)
Total shareholders' deficiency	(44,356,511)	(23,092,261)
	13,782,471	20,990,052

ConjuChem Biotechnologies Inc.**STATEMENTS OF OPERATIONS AND DEFICIT**

Year ended October 31,

	2006	2005
	\$	\$
REVENUES		
Contract revenue	239,123	82,318
Interest income	477,400	623,389
	716,523	705,707
EXPENSES		
Research and development	30,279,595	25,962,694
Investment tax credits	582,752	(2,025,233)
Net research and development expenses	30,862,347	23,937,461
General and administrative expenses	4,754,121	4,486,134
Amortization of property, plant and equipment	293,467	340,950
Amortization of intangible assets	33,068	49,756
Amortization of deferred financing fees	34,888	34,888
Non-cash stock-based compensation	4,806,417	5,178,167
Financial charges	50,188	16,610
Foreign exchange (gain) loss	(45,660)	43,000
Accretion in carrying value of convertible senior unsecured notes	6,092,580	5,136,476
	46,881,416	39,223,442
Net loss	(46,164,893)	(38,517,735)
Deficit, beginning of year	(200,918,066)	(157,056,878)
Transitional adjustment for stock based compensation	—	(5,343,453)
Deficit, end of year	(247,082,959)	(200,918,066)
Basic and diluted loss per share	(0.90)	(0.83)
Weighted average number of common shares outstanding during the year	51,034,067	46,239,541

ConjuChem Biotechnologies Inc.

STATEMENTS OF CASH FLOWS

Year ended October 31,

	2006	2005
	\$	\$
OPERATING ACTIVITIES		
Net loss	(46,164,893)	(38,517,735)
Items not affecting cash:		
Amortization of property, plant and equipment	293,467	340,950
Amortization of intangible assets	33,068	49,756
Amortization of deferred financing fees	34,888	34,888
Amortization of premium on investments	2,658	5,466
Non-cash stock-based compensation	4,806,417	5,178,167
Accretion in carrying value of convertible senior unsecured notes	6,092,580	5,136,476
	(34,901,815)	(27,772,032)
Net changes in non-cash working capital balances relating to operations	8,371,788	(1,365,539)
Cash flows relating to operating activities	(26,530,027)	(29,137,571)
INVESTING ACTIVITIES		
Acquisition of short-term investments	(19,137,206)	(30,175,880)
Proceeds on maturities of short-term investments	29,598,879	36,549,665
Acquisition of property, plant and equipment	(128,153)	(273,681)
Acquisition of intangible assets	—	(32,760)
Cash flows relating to investing activities	10,333,520	6,067,344
FINANCING ACTIVITIES		
Proceeds from reorganization	6,400,000	—
Costs of reorganization	(1,099,061)	—
Draw down from bridge loan	2,000,000	—
Repayment of bridge loan	(2,000,000)	—
Issuance of common shares for cash	15,816,926	21,874,245
Share issue costs paid in cash	(1,023,639)	(1,374,182)
Cash flows relating to financing activities	20,094,226	20,500,063
Net increase (decrease) in cash and cash equivalents during the year	3,897,719	(2,570,164)
Cash and cash equivalents, beginning of year	137,218	2,707,382
Cash and cash equivalents, end of year	4,034,937	137,218
Supplemental cash flow information:		
Cash paid during the year for:		
Interest	33,658	5,827