



ConjuChem Biotechnologies Inc.
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For immediate release

ConjuChem Announces Fiscal 2008 Second Quarter Financial Results

MONTREAL, Canada, June 11, 2008 – ConjuChem Biotechnologies Inc (TSX:CJB) today announced financial results for the second quarter of fiscal 2008, ended April 30, 2008.

“During the second quarter, we continued to advance our two Phase II clinical trials for PC-DAC™:Exendin-4, our lead drug designed to be a best-in-class treatment for Type 2 diabetes. These randomized, double-blind clinical studies were initiated earlier in 2008 and collectively will enroll approximately 210 patients,” said Mark Perrin, President and CEO of ConjuChem. “We are on track to produce results from at least one of our two trials by the end of 2008.”

Net loss for the three-month period ended April 30, 2008 amounted to \$7.9 million compared to \$12.2 million for the three-month period ended April 30, 2007. Net loss for the six-month period ended April 30, 2008 amounted to \$19.8 million compared to \$30.8 million for the six-month period ended April 30, 2007. The decrease in the net loss is attributable to a decrease in net research and development expenses of \$16.0 million which was largely related to the purchase, in the six-month period ended April 30, 2007, of drug product for the ongoing development PC-DAC™:Exendin-4

The Company recorded interest income on cash, short and long-term investments that amounted to \$0.4 million for the second quarter ended April 30, 2008, compared to \$1.0 million for the second quarter ended April 30, 2007. The Company recorded interest income on cash, short and long-term investments amounting to \$0.9 million for the six-month period ended April 30, 2008, compared to \$1.9 million for the six-month period ended April 30, 2007. The decrease in interest income was a result of the reduction of the Company’s investment portfolio base.

Gross research and development expenses amounted to \$5.4 million for the quarter ended April 30, 2008, compared to \$9.2 million for the quarter ended April 30, 2007. Gross research and development expenses amounted to \$9.1 million for the six-month period ended April 30, 2008, compared to \$25.1 million for the six-month period ended April 30, 2007. The decrease is largely attributable to the purchase, in the six-month period ended April 30, 2007, of drug product for the ongoing development of PC-DAC™:Exendin-4.

General and administrative costs amounted to \$1.2 million for the quarter ended April 30, 2008 compared to \$1.1 million for the quarter ended April 30, 2007. General and administrative costs amounted to \$2.8 million for the six-month period ended April 30, 2008 compared to \$1.9 million for the six-month period ended April 30, 2007. The increase in general and administrative expenses is partially attributable to an increase in additional headcount compensation and benefits.

As at April 30, 2008, the Company had cash, cash equivalents and short-term investments totalling \$36.9 million compared to \$26.0 million at October 31, 2007. As at April 30, 2008, working capital amounted to \$29.1 million compared to \$18.9 million as at October 31, 2007. ConjuChem believes that its current cash and cash equivalents, available-for-sale marketable securities and interest income will be sufficient

to carry out our current research and development plans and operations through the second quarter of 2009.

About ConjuChem Biotechnologies

ConjuChem Biotechnologies, developer of next generation medicines from therapeutic peptides, is creating long-acting compounds based on its 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. Detailed descriptions of the Company can be viewed on the Company's website www.conjuchem.com.

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ConjuChem Biotechnologies Inc.

UNAUDITED INTERIM BALANCE SHEETS

As at

	April 30, 2008	October 31, 2007
	\$	\$
ASSETS		
Current		
Cash and cash equivalents	11,720,885	1,235,704
Available-for-sale short-term investments	25,209,116	24,797,545
Accounts receivable and other assets	595,284	103,277
Investment tax credits receivable	1,045,000	1,169,000
Prepaid expenses	114,359	208,945
Total current assets	38,684,644	27,514,471
Held-to-maturity long-term investments	—	59,736,098
Property, plant and equipment	946,933	1,049,147
Intangible assets	15,211	19,257
	39,646,788	88,318,973
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	9,614,266	8,576,258
Unearned revenues	8,828	35,314
Total current liabilities	9,623,094	8,611,572
Convertible senior unsecured notes	—	52,502,487
Convertible unsecured subordinated debentures	13,375,448	—
	22,998,542	61,114,059
Shareholders' equity		
Capital stock	265,332,302	265,332,302
Warrants	14,093,394	11,885,875
Equity portion of convertible senior unsecured notes	—	14,966,780
Equity portion of convertible unsecured subordinated debentures	5,610,777	—
Contributed surplus	44,348,607	28,008,989
Deficit	(312,739,566)	(292,973,699)
Accumulated other comprehensive income (loss)	2,732	(15,333)
Total shareholders' equity	16,648,246	27,204,914
	39,646,788	88,318,973

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UNAUDITED INTERIM STATEMENTS OF DEFICIT

	Three-month periods ended April 30		Six-month periods ended April 30	
	2008	2007	2008	2007
	\$	\$	\$	\$
Deficit, beginning of period	(304,814,216)	(265,712,922)	(292,973,699)	(247,082,959)
Net loss for the period	(7,925,350)	(12,209,038)	(19,765,867)	(30,839,001)
Deficit, end of period	(312,739,566)	(277,921,960)	(312,739,566)	(277,921,960)

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**UNAUDITED INTERIM STATEMENTS OF OPERATIONS AND
COMPREHENSIVE LOSS**

	Three-month periods ended April 30		Six-month periods ended April 30	
	2008	2007	2008	2007
	\$	\$	\$	\$
REVENUES				
Contract revenues	24,557	—	51,904	—
Interest income	375,926	1,004,891	948,581	1,867,221
	<u>400,483</u>	<u>1,004,891</u>	<u>1,000,485</u>	<u>1,867,221</u>
EXPENSES				
Research and development	5,422,425	9,231,762	9,080,282	25,133,535
Investment tax credits	(100,000)	(150,000)	(200,000)	(300,000)
Net research and development expenses	<u>5,322,425</u>	<u>9,081,762</u>	<u>8,880,282</u>	<u>24,833,535</u>
General and administrative expenses	1,211,310	1,081,653	2,797,951	1,907,101
Amortization of property, plant and equipment	54,979	66,480	110,100	129,146
Amortization of intangible assets	2,443	4,306	4,924	8,611
Non-cash stock-based compensation	657,959	1,445,652	1,372,838	2,276,219
Financial charges	6,101	5,513	10,307	10,190
Foreign exchange loss (gain)	12,324	(253,937)	191,275	53,398
Accretion in carrying value of convertible senior unsecured notes and interest	—	1,782,500	5,504,427	3,488,022
Accretion in carrying value of convertible unsecured subordinated debentures and interest	1,058,292	—	1,626,809	—
Loss on redemption of held-to-maturity long-term investments	—	—	267,439	—
	<u>8,325,833</u>	<u>13,213,929</u>	<u>20,766,352</u>	<u>32,706,222</u>
Net loss	(7,925,350)	(12,209,038)	(19,765,867)	(30,839,001)
OTHER COMPREHENSIVE INCOME				
Unrealized gain (loss) on available-for-sale short-term investments	405	7,685	2,732	(3,109)
Comprehensive loss	(7,924,945)	(12,201,353)	(19,763,135)	(30,842,110)
Basic and diluted loss per share	(0.03)	(0.05)	(0.08)	(0.15)
Weighted average number of common shares outstanding during the period	240,213,668	240,209,679	240,213,668	211,589,703

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UNAUDITED INTERIM STATEMENTS OF CASH FLOWS

	Three-month periods ended April 30		Six-month periods ended April 30	
	2008	2007	2008	2007
	\$	\$	\$	\$
OPERATING ACTIVITIES				
Net loss	(7,925,350)	(12,209,038)	(19,765,867)	(30,839,001)
Items not affecting cash:				
Amortization of property, plant and equipment	54,979	66,480	110,100	129,146
Amortization of intangible assets	2,443	4,306	4,924	8,611
Amortization of premium on held-to-maturity long-term investments	—	(25,030)	(8,436)	(40,217)
Non-cash stock-based compensation	657,959	1,445,652	1,372,838	2,276,219
Accretion in carrying value of convertible senior unsecured notes and interest	—	1,782,500	5,504,427	3,488,022
Accretion in carrying value of convertible unsecured subordinated debentures	389,639	—	958,156	—
Loss on redemption of held-to-maturity long-term investments	—	—	267,439	—
	(6,820,330)	(8,935,130)	(11,556,419)	(24,977,220)
Net changes in non-cash working capital balances relating to operations	2,102,413	(5,236,536)	526,257	(1,912,163)
Cash flows relating to operating activities	(4,717,917)	(14,171,666)	(11,030,162)	(26,889,383)
INVESTING ACTIVITIES				
Acquisition of available-for-sale short-term investments	(8,784,180)	(5,056,000)	(21,694,881)	(42,046,935)
Proceeds from sale of available-for-sale short-term investments	11,115,581	7,906,801	21,515,408	19,571,102
Acquisition of held-to-maturity long-term investments	—	—	(167,037)	(57,219,039)
Proceeds on redemption of held-to-maturity long-term investments	—	—	59,644,132	—
Acquisition of property, plant and equipment	—	(73,047)	(9,772)	(138,306)
Acquisition of intangible assets	—	—	(1,179)	(2,751)
Cash flows relating to investing activities	2,331,401	2,777,754	59,286,671	(79,835,929)
FINANCING ACTIVITIES				
Repayment of convertible senior unsecured notes	—	—	(58,006,914)	—
Issuance of convertible unsecured subordinated debentures	—	—	22,000,000	—
Issuance costs paid in cash	—	—	(1,764,414)	—
Issuance of common shares for cash	—	3,483	—	120,253,483
Share issue costs paid in cash	—	(9,734)	—	(6,658,350)
Cash flows relating to financing activities	—	(6,251)	(37,771,328)	113,595,133
Net increase in cash and cash equivalents during the period	(2,386,516)	(11,400,163)	10,485,181	6,869,821
Cash and cash equivalents, beginning of period	14,107,401	22,304,921	1,235,704	4,034,937
Cash and cash equivalents, end of period	11,720,885	10,904,758	11,720,885	10,904,758
Supplemental cash flow information:				
Interest paid	—	—	13,006,914	1,273