



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

For immediate release

ConjuChem Announces Fiscal 2008 Third Quarter Financial Results

MONTREAL, Canada, September 9, 2008 – ConjuChem Biotechnologies Inc (TSX:CJB) today announced financial results for the third quarter of fiscal 2008, ended July 31, 2008.

“During the third quarter, we completed recruitment for both of our Phase II clinical trials of our lead product, PC-DAC™:Exendin-4. A combined total of more than 200 patients are enrolled in the two randomized, double-blind placebo controlled clinical studies and we anticipate preliminary results from these trials will be available by the end of calendar 2008,” said Mark Perrin, President and CEO of ConjuChem. “We are also preparing to have an IND filed with the FDA for our PC-DAC™:Insulin program in the first half of 2009. The primary objective of this program is to leverage our platform technology to advance development of a long-lasting insulin therapy with a truly peakless pharmacodynamic profile.”

Net loss for the three-month period ended July 31, 2008 amounted to \$8.7 million compared to \$8.6 million for the three-month period ended July 31, 2007. Net loss for the nine-month period ended July 31, 2008 amounted to \$28.5 million compared to \$39.4 million for the nine-month period ended July 31, 2007. The decrease in the net loss is attributable to a decrease in net research and development expenses of \$15.4 million which was largely related to the purchase, in the nine-month period ended July 31, 2007, of drug product for the ongoing development of PC-DAC™:Exendin-4.

The Company recorded interest income on cash, short-term investments that amounted to \$306,076 for the quarter ended July 31, 2008, compared to \$949,773 for the quarter ended July 31, 2007. The Company recorded interest income on cash, short and long-term investments amounting to \$1.3 million for the nine-month period ended July 31, 2008, compared to \$2.8 million for the nine-month period ended July 31, 2007. The decrease in interest income was a result of a reduced investment portfolio base combined with a general decrease in market rates.

Gross research and development expenses amounted to \$6.2 million for the quarter ended July 31, 2008, compared to \$5.7 million for the quarter ended July 31, 2007. Gross research and development expenses amounted to \$15.2 million for the nine-month period ended July 31, 2008, compared to \$30.9 million for the nine-month period ended July 31, 2007. The decrease is largely attributable to the purchase, in 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 July 31, 2008 compared to \$1.3 million for the quarter ended July 31, 2007. General and administrative costs amounted to \$4.0 million for the nine-month period ended July 31, 2008 compared to \$3.3 million for the nine-month period ended July 31, 2007. The increase in general and administrative expenses is attributable to financial charges and fees related to the early redemption of the convertible senior unsecured notes and to an increase in additional headcount compensation and benefits.

As at July 31, 2008, the Company had cash, cash equivalents and short-term investments totalling \$29.2 million compared to \$26.0 million as at October 31, 2007. As at July 31, 2008, working capital amounted to \$21.7 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 its current research and development plans and operations into 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 DACTM and PC-DACTM 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.

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 Biotechnologies' 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 unless requested to do so by securities regulators.

For more information, please contact:

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

James Smith
Investor Relations
416.815.0700, ext. 229
jsmith@equicomgroup.com

ConjuChem Biotechnologies Inc.

UNAUDITED INTERIM BALANCE SHEETS

As at

	July 31, 2008	October 31, 2007
	\$	\$
ASSETS		
Current		
Cash and cash equivalents	13,978,639	1,235,704
Available-for-sale short-term investments	15,231,753	24,797,545
Accounts receivable and other assets	247,763	103,277
Investment tax credits receivable	1,145,000	1,169,000
Prepaid expenses	293,392	208,945
Total current assets	30,896,547	27,514,471
Held-to-maturity long-term investments	—	59,736,098
Property, plant and equipment	894,726	1,049,147
Intangible assets	12,749	19,257
	31,804,022	88,318,973
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	9,218,974	8,576,258
Unearned revenues	—	35,314
Total current liabilities	9,218,974	8,611,572
Convertible senior unsecured notes	—	52,502,487
Convertible unsecured subordinated debentures	12,973,611	—
	22,192,585	61,114,059
Shareholders' equity		
Capital stock	266,823,735	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	5,193,793	—
Contributed surplus	44,991,706	28,008,989
Deficit	(321,476,292)	(292,973,699)
Accumulated other comprehensive loss	(14,899)	(15,333)
Total shareholders' equity	9,611,437	27,204,914
	31,804,022	88,318,973

ConjuChem Biotechnologies Inc.

UNAUDITED INTERIM STATEMENTS OF DEFICIT

	Three-month periods ended July 31		Nine-month periods ended July 31	
	2008	2007	2008	2007
	\$	\$	\$	\$
Deficit, beginning of period	(312,739,566)	(277,921,960)	(292,973,699)	(247,082,959)
Net loss for the period	(8,736,726)	(8,562,113)	(28,502,593)	(39,401,114)
Deficit, end of period	(321,476,292)	(286,484,073)	(321,476,292)	(286,484,073)

ConjuChem Biotechnologies Inc.

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

	Three-month periods ended July 31		Nine-month periods ended July 31	
	2008	2007	2008	2007
	\$	\$	\$	\$
REVENUES				
Contract revenues	8,827	24,366	60,731	24,366
Interest income	306,076	949,773	1,254,657	2,816,994
	314,903	974,139	1,315,388	2,841,360
EXPENSES				
Research and development	6,153,681	5,721,984	15,233,963	30,855,519
Investment tax credits	(100,000)	(233,940)	(300,000)	(533,940)
Net research and development expenses	6,053,681	5,488,044	14,933,963	30,321,579
General and administrative expenses	1,198,403	1,346,308	3,996,354	3,253,409
Amortization of property, plant and equipment	55,411	65,052	165,511	194,198
Amortization of intangible assets	2,462	4,470	7,386	13,081
Non-cash stock-based compensation	643,099	875,620	2,015,937	3,151,839
Financial charges	2,987	2,948	13,294	13,138
Foreign exchange loss (gain)	60,543	(109,808)	251,818	(56,410)
Accretion in carrying value of convertible senior unsecured notes and interest	—	1,863,618	5,504,427	5,351,640
Accretion in carrying value of convertible unsecured subordinated debentures and interest	1,035,043	—	2,661,852	—
Loss on redemption of held-to-maturity long-term investments	—	—	267,439	—
	9,051,629	9,536,252	29,817,981	42,242,474
Net loss	(8,736,726)	(8,562,113)	(28,502,593)	(39,401,114)
OTHER COMPREHENSIVE LOSS				
Unrealized loss on available-for-sale short-term investments	(17,631)	(15,133)	(14,899)	(18,242)
Comprehensive loss	(8,754,357)	(8,577,246)	(28,517,492)	(39,419,356)
Basic and diluted loss per share	(0.04)	(0.04)	(0.12)	(0.18)
Weighted average number of common shares outstanding during the period	246,094,442	240,213,668	242,188,235	221,235,875

ConjuChem Biotechnologies Inc.

UNAUDITED INTERIM STATEMENTS OF CASH FLOWS

	Three-month periods		Nine-month periods	
	ended July 31		ended July 31	
	2008	2007	2008	2007
	\$	\$	\$	\$
OPERATING ACTIVITIES				
Net loss	(8,736,726)	(8,562,113)	(28,502,593)	(39,401,114)
Items not affecting cash:				
Amortization of property, plant and equipment	55,411	65,052	165,511	194,198
Amortization of intangible assets	2,462	4,470	7,386	13,081
Amortization of premium on held-to-maturity long-term investments	—	(25,874)	(8,436)	(66,091)
Non-cash stock-based compensation	643,099	875,620	2,015,937	3,151,839
Accretion in carrying value of convertible senior unsecured notes and interest	—	1,863,618	5,504,427	5,351,640
Accretion in carrying value of convertible unsecured subordinated debentures	672,613	—	1,630,769	—
Loss on redemption of held-to-maturity long-term investments	—	—	267,439	—
	(7,363,141)	(5,779,227)	(18,919,560)	(30,756,447)
Net changes in non-cash working capital balances relating to operations	(63,878)	(3,017,561)	462,379	(4,662,062)
Cash flows relating to operating activities	(7,427,019)	(8,796,788)	(18,457,181)	(35,418,509)
INVESTING ACTIVITIES				
Acquisition of available-for-sale short-term investments	(6,137,130)	(26,211,300)	(27,832,011)	(68,258,235)
Proceeds from sale of available-for-sale short-term investments	15,823,221	29,620,234	37,338,629	49,191,336
Acquisition of held-to-maturity long-term investments	—	(1,613,518)	(167,037)	(59,100,219)
Proceeds on redemption of held-to-maturity long-term investments	—	—	59,644,132	—
Acquisition of property, plant and equipment	(1,318)	(5,537)	(11,090)	(143,843)
Acquisition of intangible assets	—	(880)	(1,179)	(3,631)
Cash flows relating to investing activities	9,684,773	1,788,999	68,971,444	(78,314,592)
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	—	—	—	120,253,483
Share issue costs paid in cash	—	—	—	(6,658,350)
Cash flows relating to financing activities	—	—	(37,771,328)	113,595,133
Net increase (decrease) in cash and cash equivalents during the period	2,257,754	(7,007,789)	12,742,935	(137,968)
Cash and cash equivalents, beginning of period	11,720,885	10,904,758	1,235,704	4,034,937
Cash and cash equivalents, end of period	13,978,639	3,896,969	13,978,639	3,896,969
Supplemental cash flow information:				
Interest paid	892,926	331	13,899,840	1,604