



**For immediate release**

**CONJUCHEM ANNOUNCES COMPLETION OF  
\$5 MILLION NON-DILUTIVE CAPITAL TRANSACTION**

**Montréal, August 25, 2009** – ConjuChem Biotechnologies Inc. (“ConjuChem”) (TSX:CJB) today announced the completion of the transaction providing \$5 million in new, non-dilutive capital to the Company. The Superior Court of Québec has approved the previously announced plan of arrangement (the “Arrangement”) under section 192 of the *Canada Business Corporations Act* (the “CBCA”) involving ConjuChem and Colabor Income Fund (“Colabor”), among others, all as fully described in ConjuChem’s management information circular dated July 17, 2009.

“This non-dilutive transaction strengthens our balance sheet and provides us with greater flexibility to execute our business plan,” said Mark Perrin, President and CEO. “Our primary focus remains progressing our partnership discussions for our lead diabetes drug, PC-DAC™:Exendin-4 and our preclinical compound, PC-DAC™:Insulin.”

As part of the transaction, ConjuChem will carry on its business operations as they existed immediately prior to the Arrangement in a new entity, named “ConjuChem Biotechnologies Inc.,” owned by the former shareholders of ConjuChem, but with the additional cash received from Colabor. The common shares of the new entity are listed on the Toronto Stock Exchange under the same stock symbol “CJB” as of today.

**About ConjuChem Biotechnologies Inc.**

ConjuChem, a developer of next generation medicines from therapeutic peptides, creates long-acting compounds based on its proprietary bioconjugation platform technology. ConjuChem 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 ConjuChem and its technologies can be viewed on ConjuChem’s website [www.conjuchem.com](http://www.conjuchem.com).

**Forward-Looking Statements**

*This press release contains certain forward-looking statements, including, without limitation, statements containing the words “believe”, “may”, “plan”, “will”, “estimate”, “continue”, “anticipate”, “intend”, “expect” and other similar expressions which constitute “forward-looking information” within the meaning of applicable Canadian securities laws. Forward-looking statements reflect ConjuChem’s current expectation and assumptions, and are subject to a number of risks and uncertainties that could cause actual results to differ materially from those anticipated. These forward-looking statements involve risks and uncertainties including, but not limited to, the obtaining of court and other regulatory approvals and consents, the satisfaction of closing conditions, adjustment provisions relating to the proceeds of the transaction, changing market conditions, the successful and timely completion of clinical studies, the establishment of corporate alliances, the impact of competitive products and pricing, new product development, uncertainties related to the regulatory approval process and other risks detailed from time-to-time in ConjuChem’s*

*ongoing filings with the Canadian securities regulatory authorities which filings can be found at [www.sedar.com](http://www.sedar.com). Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. ConjuChem undertakes no obligation to publicly update or revise any forward-looking statements either as a result of new information, future events or otherwise, except as required by applicable Canadian securities laws.*

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