



**ConjuChem Biotechnologies, Inc.**  
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**For immediate release**

## **CONJUCHEM RAISES \$5 MILLION IN NON-DILUTIVE FINANCING**

**Montréal, July 8, 2009** – ConjuChem Biotechnologies Inc (TSX:CJB) today announced that it has entered into an agreement with Colabor Income Fund (TSX:CLB.UN), a Québec-based income trust, that will provide gross proceeds of approximately \$5 million in non-dilutive capital to ConjuChem concurrent with a reorganization of the Company.

“This non-dilutive transaction, accomplished in a challenging economic environment, strengthens our balance sheet and provides us with greater flexibility as we pursue a partnership for our lead diabetes drug, PC-DAC™:Exendin-4,” said Mark Perrin, President and CEO. “We recently reported results from the Phase II program for PC-DAC™:Exendin-4 at the American Diabetes Association's 69th Annual Scientific Sessions demonstrating that our long-lasting GLP-1 agonist achieved statistically significant reductions in HbA1c and weight and was extremely well tolerated.”

The non-dilutive transaction involves a corporate reorganization to be completed under a court supervised Plan of Arrangement. ConjuChem will transfer its assets and liabilities, including the proceeds from this transaction, to a newly incorporated subsidiary company, 4523482 Canada Inc. (“New ConjuChem OpCo”). On completion of the transaction, ConjuChem securityholders will have exchanged their ConjuChem securities on a one-for-one basis for securities of a parent company of New ConjuChem OpCo which shall subsequently amalgamate with New ConjuChem OpCo (“New ConjuChem”).

New ConjuChem will carry on ConjuChem’s business operations as a public entity and will retain all rights to related intellectual property as before the transaction.

As part of the Plan of Arrangement, Colabor unitholders, on completion of the transaction, will own 100% of the shares of the original ConjuChem entity.

Completion of the transaction is subject to receipt of court and other regulatory approvals and consents. It must also be approved (i) by at least 66 2/3 percent of votes cast by ConjuChem shareholders, (ii) at least 66 2/3 percent of votes cast by ConjuChem optionholders, warrant holders and debentureholders, and (iii) by at least 66 2/3 percent of votes cast by Colabor unitholders. Based on a number of factors, including a fairness opinion rendered by ConjuChem’s financial advisor for the transaction, ConjuChem’s Board of Directors unanimously recommends that ConjuChem securityholders approve the transaction.

Additional details regarding the transaction will be provided to ConjuChem securityholders in an information circular to be mailed in mid-July. The information circular will also be available at [www.conjuchem.com](http://www.conjuchem.com) and [www.sedar.com](http://www.sedar.com). A special meeting of securityholders will be held in August 2009 [at the offices of McCarthy Tétrault LLP, Suite 2500, 1000, De La Gauchetière Street West, Montréal, Québec]. The transaction is expected to close in August 2009 subject to the satisfaction of customary closing conditions.

### **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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