

**For immediate release**

**ConjuChem Initiates Phase I/II Multiple-Dose Study of PC-DAC™:Exendin-4**  
*- One Month Study in Sixty Type 2 Diabetes Patients -*

**MONTREAL, Canada, October 10, 2006** – ConjuChem Biotechnologies Inc. (TSX:CJB) today announced that dosing has been initiated in its Phase I/II multiple-dose clinical study for the treatment of Type 2 diabetes using the Company's proprietary PC-DAC™:Exendin-4.

The Phase I/II trial, a randomized, double-blind, multiple-dose study, will evaluate safety and tolerability of PC-DAC™:Exendin-4 in patients with stable Type 2 diabetes. All patients will be on stable doses of metformin. As secondary endpoints, pharmacokinetic and pharmacodynamic parameters will be evaluated. The trial will enroll 60 patients with 15 patients randomized to one of four parallel treatment groups: 1mg, 2 mg, 3mg or placebo. Patients will be dosed weekly for one month.

Preliminary study results are expected in the first quarter of 2007.

**About PC-DAC™:Exendin-4**

Exendin-4 is a **Glucagon-like peptide-1 (GLP-1)** homolog and an agonist for the GLP-1 receptor. Exendin-4 decreases glucagon and increases insulin secretion in a glucose-dependent manner. Exendin-4 may stimulate  $\beta$ -cell proliferation, restore  $\beta$ -cell sensitivity to glucose, delay gastric emptying, and increase peripheral sensitivity to glucose. The clinical utility of Exendin-4 is somewhat limited by its relatively short half-life in plasma. Developed with ConjuChem's proprietary PC-DAC™ technology, PC-DAC™:Exendin-4 is a modified Exendin-4 analogue that is covalently bound to recombinant human albumin (**Recombunin®**, provided by Novozymes Delta Limited). The preformed albumin-peptide conjugate has a much longer half-life than the peptide alone. The product is a highly soluble liquid formulation that is injectable in a small volume with a small gauge needle.

**About ConjuChem**

ConjuChem, developer of next generation medicines 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.

Detailed descriptions of the Company can be viewed on the Company's website [www.conjuchem.com](http://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's 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.

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