

For immediate release

**Final Results of PC-DAC™:Exendin-4 Phase I/II Trial for
Type 2 Diabetes Confirm Excellent Tolerability, Positive Efficacy,
and Extended Duration of Activity**
- New Three-Week Study Also Announced -

MONTREAL, Canada, September 12, 2006 – ConjuChem Biotechnologies Inc. (TSX:CJB) today announced that final data from its Phase I/II single escalating dose clinical study for the treatment of Type 2 diabetes using the Company's proprietary PC-DAC™:Exendin-4 compound confirmed the excellent tolerability profile, positive efficacy on glucose reduction and extended duration of activity reported as preliminary data on April 26th, 2006.

Phase I/II Trial Design

The Phase I/II trial, a randomized, double-blind, single escalating dose study, evaluated safety and tolerability of PC-DAC™:Exendin-4 as monotherapy in patients with stable Type 2 diabetes who had discontinued their oral anti-diabetic medications starting one week before the commencement of the trial. As secondary endpoints, pharmacokinetic and pharmacodynamic parameters were evaluated.

Six cohorts were dosed subcutaneously at 310, 620, 1250, 2500, 3750 and 5000 microgram (µg) of PC-DAC™:Exendin-4. The product is a highly soluble liquid formulation that is injectable in a small volume with a small gauge needle. Each cohort consisted of 7 patients (6 active, 1 placebo). The mean glucose values at baseline of the cohorts (without placebo) were 15.6, 12.2, 12.1, 11.2, 9.6 and 16.2 mmol/L, respectively.

Phase I/II Results

Safety/Tolerability:

There were no safety or tolerability issues reported in the first four cohorts (310, 620, 1250 and 2500 µg dose); specifically, no nausea, no vomiting and no injection site reactions. In each of the 3750 and 5000 µg cohorts, there was one case of vomiting observed post-lunch on day one; no anti-emetic medications were needed for either of these cases nor were any anti-emetics needed throughout the trial. Low titer antibodies directed towards the peptide portion of drug were detected in 3 of 36 subjects.

Pharmacokinetic Profile:

The pharmacokinetic profile exhibited slow absorption and prolonged exposure with plasma drug levels peaking at around 7 days and then declining thereafter with a half-life of approximately one week. Plasma concentrations were dose linear for both C_{max} (maximum drug concentration) and AUC (area under the curve).

Pharmacodynamic Parameters:

Glucose was measured 6 times per day (fasting, 2-hour post-breakfast, pre-lunch, 2-hour post-lunch, pre-dinner and bedtime) during the first week and 3 times per day (fasting, 2-hour post-breakfast and bedtime) for the remaining 5 weeks of the study. In addition, a placebo group was constructed for data analysis by pooling the patients (one per cohort) that received placebo during the study.

Placebo and doses of 310 µg and 620 µg of PC-DAC™:Exendin-4 did not produce consistent reductions in mean daily or fasting glucose levels. Doses of 1250, 2500, 3750, and 5000 µg of PC-DAC™:Exendin-4 demonstrated rapid reductions in mean daily glucose values that were sustained for at least 1 to 2 weeks after dosing. Reductions in mean daily glucose at the end of the first week (average of days 1-6) ranged from -11.8% to -24.2%. The greatest reductions in daily glucose levels were observed in the cohort with the highest mean baseline glucose value, consistent with the expectation that the glucose-lowering effect of PC-DAC™:Exendin-4 is glucose-dependent, and that the magnitude of the decrease in glucose will therefore be related to baseline glucose levels. Treatment with doses of 1250, 2500, 3750, and 5000 µg also produced decreases in fasting blood glucose and reduced post-prandial glycemic excursions. A trend towards greater reduction in body weight was noted at the end of the first week in the four active cohorts.

Commenting on these final results, Thomas Ulich, M.D., ConjuChem's Executive Vice President of Research and Development, stated: "These promising results suggest that long-term once-weekly administration of PC-DAC™:Exendin-4 at doses of 1250 µg or greater can be therapeutically useful for control of fasting and post-prandial glycemia in patients with type 2 diabetes. Most notably, neither nausea nor vomiting (the major side effects of incretins) were observed in either of the pharmacodynamically effective 1250 or 2500 µg cohorts of PC-DAC™:Exendin-4".

New Three-Week Inpatient Study Announced

As a result of the long half-life of the drug and the longer than expected duration of glucose reduction, ConjuChem has conducted a randomized, double-blind, single dose 3-week inpatient trial that further evaluated the pharmacokinetic and pharmacodynamic profile of the product in a controlled setting. Safety and tolerability were assessed in sixteen patients (12 active/4 placebo) at a dose of 3000 micrograms. Data from the study will be reported in the fourth quarter.

Next Steps

ConjuChem will be conducting a multi-dose Phase I/II trial in which the product will be administered once-a-week at three different dosages for one month. The study is expected to commence in the fourth quarter.

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 β-cell proliferation, restore β-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 Delta Biotechnology Limited). The preformed albumin-peptide conjugate has a much longer half-life than the peptide alone.

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.



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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'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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