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For immediate release

ConjuChem Biotechnologies Announces Fiscal 2007 Third Quarter Financial Results

MONTREAL, Canada, September 6, 2007 – ConjuChem Biotechnologies (TSX:CJB) today announced financial results for the third quarter of fiscal 2007, ended July 31, 2007.

The Company's net loss for the quarter ended July 31, 2007 amounted to \$8.6 million, or (\$0.04) per share, compared to \$10.3 million, or (\$0.19) per share, for the quarter ended July 31, 2006. The Company's net loss for the nine-month period ending July 31, 2007 amounted to \$39.4 million, or (\$0.18) per share, compared to \$30.2 million, or (\$0.61) per share, for the same period a year ago. The decrease in the net loss for the three-month period is mainly attributable to a decrease in net research and development expenses of \$1.6 million, largely related to completion of the Phase I/II clinical trials for PC-DAC™:Exendin-4, in March 2007. The increase in the net loss for the nine-month period is mainly attributable to an increase in net research and development expenses of \$11.0 million largely related to the purchase of drug substance for the upcoming clinical trials for PC-DAC™:Exendin-4 and related toxicity and carcinogenicity studies.

The Company recorded interest income on cash, short and long-term investments that amounted to \$944,698 for the quarter ending July 31, 2007 compared to \$203,187 for the same period last year. Interest income for the nine-month period ending July 31, 2007 was \$2.8 million versus \$339,825 for the same period last year. The increase in interest revenue was a result of the magnitude of the investment portfolio available resulting from the closing of the November 28, 2006 financing initiative.

Net research and development expenses amounted to \$5.5 million for the quarter ending July 31, 2007 compared to \$7.1 million for the quarter ending July 31, 2006. Net research and development expenses amounted to \$30.3 million for the nine-month period ending July 31, 2007 compared to \$19.3 million for the nine-month period ending July 31, 2006. The decrease over the three-month period is largely attributable to the completion of the Phase I/II clinical trials for PC-DAC™:Exendin-4, in March 2007. The increase over the nine-month period is largely attributable to the purchase of drug substance for the upcoming clinical trials for PC-DAC™:Exendin-4 and related toxicity and carcinogenicity studies.

General and administrative costs amounted to \$1.3 million for the quarter ending July 31, 2007 compared to \$908,535 for the quarter ending July 31, 2006. For the nine-month period ending July 31, 2007 general and administrative costs amounted to \$3.3 million compared with \$3.2 million for the same period the previous year. The increase in general and administrative expenses is attributable to an increase in costs related to consultants, salaries and recruiting.



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As at July 31, 2007, the Company had cash and cash equivalents of \$30.2 million and a working capital position of \$23.2 million. The Company significantly improved its liquidity on November 28, 2006 when it closed a public offering of units resulting in net proceeds of approximately \$114.0 million.

About ConjuChem Biotechnologies

ConjuChem Biotechnologies, 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 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.

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ConjuChem Biotechnologies Inc.

BALANCE SHEETS

As at

	July 31, 2007	October 31, 2006
	\$	\$
ASSETS		
Current		
Cash and cash equivalents	3,896,969	4,034,937
Available-for-sale short-term investments	26,293,060	7,244,401
Accounts receivable and other assets	296,671	394,758
Investment tax credits receivable	450,000	550,000
Prepaid expenses	299,904	288,746
Total current assets	31,236,604	12,512,842
Deferred financing fees	—	74,675
Property, plant and equipment	1,111,531	1,161,886
Intangible assets	23,618	33,068
Held-to-maturity long-term investments	59,166,308	—
	91,538,061	13,782,471
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)		
Current liabilities		
Accounts payable and accrued liabilities	7,981,809	12,862,582
Unearned revenue	31,782	—
Total current liabilities	8,013,591	12,862,582
Convertible senior unsecured notes	50,553,365	45,276,400
	58,566,956	58,138,982
Shareholders' equity (deficiency)		
Capital stock	265,332,302	162,017,141
Warrants	11,885,875	3,276,000
Equity portion of convertible senior unsecured notes	14,966,780	14,966,780
Contributed surplus	27,288,463	22,466,527
Deficit	(286,484,073)	(247,082,959)
Accumulated other comprehensive loss	(18,242)	—
Total shareholders' equity (deficiency)	32,971,105	(44,356,511)
	91,538,061	13,782,471

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STATEMENTS OF DEFICIT

	Three-month periods ended July 31		Nine-month periods ended July 31	
	2007	2006	2007	2006
	\$	\$	\$	\$
Deficit, beginning of period	(277,921,960)	(220,832,992)	(247,082,959)	(200,918,066)
Net loss for the period	(8,562,113)	(10,321,041)	(39,401,114)	(30,235,967)
Deficit, end of period	(286,484,073)	(231,154,033)	(286,484,073)	(231,154,033)

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STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

	Three-month periods ended July 31		Nine-month periods ended July 31	
	2007 \$	2006 \$	2007 \$	2006 \$
REVENUES				
Contract revenues	24,366	—	24,366	239,123
Interest income	949,773	203,187	2,816,994	339,825
	974,139	203,187	2,841,360	578,948
EXPENSES				
Research and development	5,721,984	7,509,867	30,855,519	18,735,329
Investment tax credits	(233,940)	(399,248)	(533,940)	582,752
Net research and development expenses	5,488,044	7,110,619	30,321,579	19,318,081
General and administrative expenses	1,346,308	908,535	3,253,409	3,244,991
Amortization of property, plant and equipment	65,052	73,546	194,198	219,304
Amortization of intangible assets	4,470	8,267	13,081	24,801
Amortization of deferred financing fees	8,722	8,722	26,166	26,166
Non-cash stock-based compensation	875,620	814,843	3,151,839	3,540,347
Financial charges	2,948	34,544	13,138	43,134
Foreign exchange (gain) loss	(109,808)	10,818	(56,410)	(70,467)
Accretion in carrying value of convertible senior unsecured notes	1,854,896	1,554,334	5,325,474	4,468,558
	9,536,252	10,524,228	42,242,474	30,814,915
Net loss for the period	(8,562,113)	(10,321,041)	(39,401,114)	(30,235,967)
Other comprehensive income				
Unrealized (loss) gain on available-for-sale short-term investments	(15,133)	—	(18,242)	—
Comprehensive loss for the period	(8,577,246)	(10,321,041)	(39,419,356)	(30,235,967)
Basic and diluted loss per share	(0.04)	(0.19)	(0.18)	(0.61)
Weighted average number of common shares	240,213,668	53,705,574	221,235,875	49,631,801

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STATEMENTS OF CASH FLOWS

	Three-month periods ended July 31		Nine-month periods ended July 31	
	2007 \$	2006 \$	2007 \$	2006 \$
OPERATING ACTIVITIES				
Net loss	(8,562,113)	(10,321,041)	(39,401,114)	(30,235,967)
Items not affecting cash:				
Amortization of property, plant and equipment	65,052	73,546	194,198	219,304
Amortization of intangible assets	4,470	8,267	13,081	24,801
Amortization of deferred financing fees	8,722	8,722	26,166	26,166
Amortization of discount on long-term investments	(25,874)	—	(66,091)	2,658
Non-cash stock based compensation	875,620	814,843	3,151,839	3,540,347
Accretion in value of convertible senior unsecured notes	1,854,896	1,554,334	5,325,474	4,468,558
	(5,779,227)	(7,861,329)	(30,756,447)	(21,954,133)
Net changes in non-cash working capital balances relating to operations	(3,017,561)	1,934,984	(4,662,062)	3,237,557
Cash flows relating to operating activities	(8,796,788)	(5,926,345)	(35,418,509)	(18,716,576)
INVESTING ACTIVITIES				
Acquisition of short-term investments	(26,211,300)	(4,403,711)	(68,258,235)	(8,992,905)
Proceeds on maturities of short-term investments	29,620,234	—	49,191,336	22,195,268
Acquisition of property, plant and equipment	(5,537)	(6,465)	(143,843)	(121,071)
Acquisition of intangible assets	(880)	—	(3,631)	—
Acquisition of long-term investments	(1,613,518)	—	(59,100,219)	—
Cash flows relating to investing activities	1,789,999	(4,410,176)	(78,314,592)	13,081,292
FINANCING ACTIVITIES				
Proceeds from reorganization	—	6,400,000	—	6,400,000
Costs of reorganization	—	(1,083,809)	—	(1,083,809)
Draw down from bridge loan	—	—	—	2,000,000
Repayment of bridge loan	—	(2,000,000)	—	(2,000,000)
Issuance of units for cash	—	15,793,178	120,253,483	15,806,376
Issuance costs paid in cash	—	(958,145)	(6,658,350)	(958,145)
Cash flows relating to financing activities	—	18,151,224	113,595,133	20,164,422
Net increase (decrease) in cash and cash equivalents during the period	(7,007,789)	7,814,703	(137,968)	14,529,138
Cash and cash equivalents, beginning of period	10,904,758	6,851,653	4,034,937	137,218
Cash and cash equivalents, end of period	3,896,969	14,666,356	3,896,969	14,666,356
Supplemental cash flow information:				
Cash paid during the period for interest:	331	29,365	1,604	29,625