

For immediate release

New Study of PC-DAC™:Exendin-4 for Type 2 Diabetes Confirms Excellent Tolerability, Efficacy, and Extended Duration of Activity

MONTREAL, Canada, October 20, 2006 – ConjuChem Biotechnologies Inc. (TSX:CJB) today announced results from a three-week inpatient study of PC-DAC™:Exendin-4 in Type 2 diabetic patients. Previously announced results from its Phase I/II single-dose clinical trial reported in September demonstrated an excellent tolerability profile, positive efficacy on glucose reduction, and extended duration of activity. ConjuChem subsequently 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 3 mg. All patients discontinued their oral antidiabetic medications one week prior to the start of the study.

Study Results

Safety/Tolerability:

Safety and tolerability were excellent; no vomiting and no injection site reactions were observed. There were two cases of transient nausea presumed to be associated with the rapid decrease in glucose on day 1 that resolved with food intake; there were no cases of hypoglycemia. Low titer antibodies directed towards the peptide portion of drug were detected in 1 of 12 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.

Pharmacodynamic Parameters:

Glucose was measured 6 times per day (fasting, 2-hour post-breakfast, pre-lunch, 2-hour post-lunch, pre-dinner and 2-hour post-dinner). The reduction in mean daily glucose from baseline for the treated group was 13% at the end of the first week, 10% at the end of the second week and 9% at the end of the third week versus a reduction of 2%, 3% and 0%, respectively, for the placebo group.

Most notably, a progressive reduction in weight was noted in the treated group over the 3-week inpatient period as recorded by daily weight measures. After a single injection, average body weight reduction in patients in the treated group reached a maximum of 5.5 lb versus 2.6 lb in the placebo group, before returning toward baseline and placebo levels at week 6.

Next Steps

ConjuChem is currently conducting a randomized, double-blind, multiple-dose Phase I/II study to evaluate the safety and tolerability of PC-DAC™:Exendin-4 in Type 2 diabetic patients. Pharmacokinetic and pharmacodynamic parameters will also be evaluated. The trial will enroll up to 60 patients with 15 patients randomized to one of four parallel treatment groups: 1mg, 2mg, 3mg, or placebo. Preliminary study results are expected in the first quarter of 2007.

About PC-DACTM: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-DACTM technology, PC-DACTM: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 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'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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