
For immediate release

ConjuChem Announces Fiscal 2009 First Quarter Financial Results

MONTREAL, Canada, March 16, 2009 – ConjuChem Biotechnologies (TSX:CJB) today announced financial results for the first quarter of fiscal 2009, ended January 31, 2009.

“During the first quarter of fiscal 2009, we reported the results from our two randomized Phase II trials for PC-DAC™: Exendin-4. These results confirmed that our lead product for the treatment of Type 2 diabetes achieved statistically significant reductions in HbA1c versus baseline and placebo; one cohort achieving a decrease of 1.4% versus baseline,” said Mark Perrin, President and CEO of ConjuChem. “We also confirmed that our product achieved statistically significant weight loss versus baseline, with patients losing up to two kilograms over the three month treatment period. Consistent with previous studies, PC-DAC™: Exendin-4 was extremely well tolerated, with minimal rates of drug-related nausea, vomiting and diarrhea that decreased over time.”

Subsequent to the close of the quarter, the Company completed a consolidation of its operations, focusing its resources on securing a partner for PC-DAC™:Exendin-4 and the rapid development of PC-Insulin, a long-acting basal insulin in preclinical testing. The restructuring includes a workforce reduction of 18 employees, representing approximately 47% of the Company’s total workforce.

“We are very grateful to all our employees who have contributed so much to ConjuChem’s progress,” said Mark Perrin, ConjuChem President and CEO. “With the successful completion of our Phase II studies for PC-DAC™:Exendin-4, we are now able to further conserve our resources by limiting our focus to partnering discussions and the development of PC-Insulin. An IND filing for this product is planned for later this year.”

Financial Results

Net loss for the quarter ended January 31, 2009 amounted to \$5.8 million compared to \$11.8 million for the quarter ended January 31, 2008. The decrease in the net loss is mainly attributable to a decrease in the accretion in the carrying value of the convertible senior unsecured notes and interest due to the early redemption of the convertible senior unsecured notes during the first quarter of the 2008 fiscal year, a decrease in G&A expenses of \$533,897 and by the reversal of tax-related reserves following the results of tax audits in the quarter ended January 31, 2009.

The Company recorded interest income on cash and investments that amounted to \$106,241 for the quarter ended January 31, 2009, compared to \$572,655 for the quarter ended January 31, 2008. The decrease in interest income was a result of a reduced investment portfolio base combined with a general decrease in market rates.

Gross research and development expenses amounted to \$4.1 million for the quarter ended January 31, 2009, compared to \$3.7 million for the quarter ended January 31, 2008. The increase is largely attributable to the costs of our Phase II clinical trials for PC-DAC™:Exendin-4.

General and administrative costs amounted to \$1.1 million for the quarter ended January 31, 2009, compared to \$1.6 million for the quarter ended January 31, 2008. The decrease in general and administrative expenses is largely attributable to fees related to the early redemption of the convertible senior unsecured notes in the quarter ended January 31, 2008 and to a decrease in headcount compensation and benefits in the quarter ended January 31, 2009.

As at January 31, 2009, ConjuChem had cash and cash equivalents and investments totaling \$13.5 million compared to 21.1 million as at October 31, 2008. As at January 31, 2009, working capital amounted to \$7.5 million compared to \$12.0 million as at October 31, 2008. ConjuChem believes that their current cash and cash equivalents, marketable securities and interest income will be sufficient to carry out our current research and development plans and operations into the third quarter of 2009.

Notice of AGM

ConjuChem will hold its Annual General Meeting of Shareholders at 4:15pm on Tuesday, April 28, 2009 at 1000 de La Gauchetière Street West, Suite 2500, Montreal, Quebec, H3B 0A2.

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 PC-DAC™ technologies enable the creation of new drugs with significantly enhanced therapeutic properties as compared to the original peptide.

The Company has two major development programs: PC-DAC™:Exendin-4, a GLP-1 agonist in Phase II and PC-Insulin, a long-acting basal insulin in preclinical testing.

Detailed descriptions of the Company and its technologies 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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ConjuChem Biotechnologies Inc.**UNAUDITED INTERIM BALANCE SHEETS**

As at

	January 31, 2009	October 31, 2008
	\$	\$
ASSETS		
Current		
Cash and cash equivalents	4,477,074	2,187,423
Investments	9,066,870	18,934,737
Accounts receivable	89,450	160,644
Investment tax credits receivable	772,000	542,000
Prepaid expenses	119,491	229,006
Total current assets	14,524,885	22,053,810
Property, plant and equipment	808,265	841,685
Intangible assets	9,719	11,108
	15,342,869	22,906,603
LIABILITIES AND SHAREHOLDERS' DEFICIENCY		
Current liabilities		
Accounts payable and accrued liabilities	6,981,485	10,080,463
Total current liabilities	6,981,485	10,080,463
Convertible unsecured subordinated debentures	14,324,406	13,634,906
	21,305,891	23,715,369
Shareholders' deficiency		
Capital stock	266,823,735	266,823,735
Warrants	10,817,394	10,817,394
Equity portion of convertible unsecured subordinated debentures	5,193,793	5,193,793
Contributed surplus	49,420,531	48,818,826
Deficit	(338,219,066)	(332,390,857)
Accumulated other comprehensive income gain (loss)	591	(71,657)
Total shareholders' deficiency	(5,963,022)	(808,766)
	15,342,869	22,906,603

ConjuChem Biotechnologies Inc.

UNAUDITED INTERIM STATEMENTS OF DEFICIT

Three-month periods ended January 31

	2009	2008
	\$	\$
Deficit, beginning of period	(332,390,857)	(292,973,699)
Net loss for the period	(5,828,209)	(11,840,517)
Deficit, end of period	(338,219,066)	(304,814,216)

ConjuChem Biotechnologies Inc.**UNAUDITED INTERIM STATEMENTS OF
OPERATIONS AND COMPREHENSIVE LOSS**

Three-month periods ended January 31

	2009	2008
	\$	\$
REVENUES		
Contract revenues	—	27,347
Interest income	106,241	572,655
	106,241	600,002
EXPENSES		
Research and development	4,127,231	3,657,857
Investment tax credits	(1,080,000)	(100,000)
Net research and development expenses	3,047,231	3,557,857
General and administrative expenses	1,052,744	1,586,641
Amortization of property, plant and equipment	44,114	55,121
Amortization of intangible assets	1,389	2,481
Stock-based compensation	601,705	714,879
Financial charges	3,352	4,206
Foreign exchange loss	90,463	178,951
Accretion in carrying value of convertible senior unsecured notes and interest	—	5,504,427
Accretion in carrying value of convertible unsecured subordinated debentures and interest	1,093,452	568,517
Loss on redemption of long-term investments	—	267,439
	5,934,450	12,440,519
Net loss	(5,828,209)	(11,840,517)
OTHER COMPREHENSIVE INCOME		
Unrealized gain on investments	72,248	2,327
Comprehensive loss	(5,755,961)	(11,838,190)
Basic and diluted loss per share	(0.02)	(0.05)
Weighted average number of common shares outstanding during the period	250,432,418	240,213,668

ConjuChem Biotechnologies Inc.

UNAUDITED INTERIM STATEMENTS OF CASH FLOWS

Three months ended January 31

	2009	2008
	\$	\$
OPERATING ACTIVITIES		
Net loss	(5,828,209)	(11,840,517)
Items not affecting cash:		
Amortization of property, plant and equipment	44,114	55,121
Amortization of intangible assets	1,389	2,481
Amortization of premium on long-term investments	—	(8,436)
Stock-based compensation	601,705	714,879
Accretion in carrying value of convertible senior unsecured notes and interest	—	5,504,427
Accretion in carrying value of convertible unsecured subordinated debentures	689,500	568,517
Loss on redemption of long-term investments	—	267,439
	<u>(4,491,501)</u>	<u>(4,736,089)</u>
Net changes in non-cash working capital balances relating to operations	(3,148,269)	(1,576,156)
Cash flows relating to operating activities	<u>(7,639,770)</u>	<u>(6,312,245)</u>
INVESTING ACTIVITIES		
Acquisition of investments	(4,806,200)	(12,910,701)
Proceeds on maturities of investments	14,746,315	10,399,827
Acquisition long-term investments	—	(167,037)
Proceeds on redemption of long-term investments	—	59,644,132
Acquisition of property, plant and equipment	(10,694)	(9,772)
Acquisition of intangible assets	—	(1,179)
Cash flows relating to investing activities	<u>9,929,421</u>	<u>56,955,270</u>
FINANCING ACTIVITIES		
Repayment of convertible senior unsecured notes	—	(58,006,914)
Issuance of convertible unsecured subordinated debentures	—	22,000,000
Issuance costs paid in cash	—	(1,764,414)
Cash flows relating to financing activities	<u>—</u>	<u>(37,771,328)</u>
Net increase in cash and cash equivalents during the period	2,289,651	12,871,697
Cash and cash equivalents, beginning of period	2,187,423	1,235,704
Cash and cash equivalents, end of period	<u>4,477,074</u>	<u>14,107,401</u>
Supplemental cash flow information:		
Interest paid	<u>814,609</u>	<u>13,006,914</u>