



ConjuChem Biotechnologies Inc.
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For immediate release

ConjuChem Biotechnologies Announces Fiscal 2007 Second Quarter Financial Results

MONTREAL, Canada, June 11, 2007 – ConjuChem Biotechnologies (TSX:CJB) today announced financial results for the second quarter of fiscal 2007, ended April 30, 2007.

“The second quarter of fiscal 2007 was highlighted by the positive clinical data we reported from the Phase I/II multiple-dose clinical study of our PC-DACTM: Exendin-4 Albumin Conjugate. The data was further evidence of our drug’s potential to become a safe and effective once-weekly treatment for Type 2 diabetes,” said Lennie Ryer, Vice-President and CFO.

The Company’s net loss for the quarter ended April 30, 2007 amounted to \$12.2 million, or (\$0.05) per share, compared to \$10.0 million, or (\$0.21) per share, for the quarter ended April 30, 2006. The Company’s net loss for the six-month period ending April 30, 2007 amounted to \$30.8 million, or (\$0.15) per share, compared to \$19.9 million, or (\$0.42) per share, for the same period a year ago. The increase in the net loss is mainly attributable to an increase in net research and development expenses of \$12.6 million largely related to the purchase of drug substance for the upcoming clinical trials for PC-DACTM:Exendin-4 and related toxicity and carcinogenicity studies.

The Company recorded interest income on cash, short and long-term investments that amounted to \$1.0 million for the quarter ending April 30, 2007 compared to \$55,751 for the same period last year. Interest income for the six-month period ending April 30, 2007 was \$1.9 million versus \$136,638 for the same period last year. The increase in interest revenue was a result of the investment portfolio available subsequent to the November 2006 financing initiative.

Net research and development expenses amounted to \$9.1 million for the quarter ending April 30, 2007 compared to \$6.0 million for the quarter ending April 30, 2006. Net research and development expenses amounted to \$24.8 million for the six-month period ending April 30, 2007 compared to \$12.2 million for the six-month period ending April 30, 2006. This increase is explained above and relates to the purchase of raw materials to manufacture PC-DACTM:Exendin-4.

General and administrative costs remained level at \$1.1 million for the periods ending April 30, 2007 and 2006. For the six-month period ending April 30, 2007 general and administrative costs amounted to \$1.9 million compared to \$2.3 million for the same period the previous year. The decrease in these expenses is attributable to decreased costs of insurance as well as a reduction in costs related to salaries and recruiting.

As of April 30, 2007, the Company had cash and cash equivalents of \$40.6 million and a working capital position of \$30.6 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.



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About ConjuChem Biotechnologies

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.

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ConjuChem Biotechnologies Inc.

BALANCE SHEETS

As at

	April 30 2007	October 31 2006
	\$	\$
ASSETS		
Current		
Cash and cash equivalents	10,904,758	4,034,937
Available-for-sale short-term investments	29,717,125	7,244,401
Accounts receivable and other assets	621,666	394,758
Investment tax credits receivable	850,000	550,000
Prepaid expenses	139,649	288,746
Total current assets	42,233,198	12,512,842
Deferred financing fees	—	74,675
Property, plant and equipment	1,171,046	1,161,886
Intangible assets	27,208	33,068
Held-to-maturity long-term investments	57,526,918	—
	100,958,370	13,782,471
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)		
Current liabilities		
Accounts payable and accrued liabilities	11,595,892	12,862,582
Total current liabilities	11,595,892	12,862,582
Convertible senior unsecured notes	48,689,747	45,276,400
	60,285,639	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	26,412,843	22,466,527
Deficit	(277,921,960)	(247,082,959)
Accumulated other comprehensive loss	(3,109)	—
Total shareholders' equity (deficiency)	40,672,731	(44,356,511)
	100,958,370	13,782,471

ConjuChem Biotechnologies Inc.

STATEMENTS OF DEFICIT

	Three-month periods ended April 30		Six-month periods ended April 30	
	2007	2006	2007	2006
	\$	\$	\$	\$
Deficit, beginning of period	(265,712,922)	(210,869,185)	(247,082,959)	(200,918,066)
Net loss for the period	(12,209,038)	(9,963,807)	(30,839,001)	(19,914,926)
Deficit, end of period	(277,921,960)	(220,832,992)	(277,921,960)	(220,832,992)

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STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

	Three-month periods ended April 30		Six-month periods ended April 30	
	2007 \$	2006 \$	2007 \$	2006 \$
REVENUES				
Contract revenue	—	—	—	239,123
Interest income	1,004,891	55,751	1,867,221	136,638
	1,004,891	55,751	1,867,221	375,761
EXPENSES				
Research and development	9,231,762	4,948,463	25,133,535	11,225,462
Investment tax credits	(150,000)	1,057,000	(300,000)	982,000
Net research and development expenses	9,081,762	6,005,463	24,833,535	12,207,462
General and administrative expenses	1,081,653	1,132,496	1,907,101	2,336,456
Amortization of property, plant and equipment	66,480	72,944	129,146	145,758
Amortization of intangible assets	4,306	2,048	8,611	16,534
Amortization of deferred financing fees	8,722	8,722	17,444	17,444
Non-cash stock-based compensation	1,445,652	1,386,012	2,276,219	2,725,504
Financial charges	5,513	4,917	10,190	8,590
Foreign exchange (gain) loss	(253,937)	(81,469)	53,398	(81,285)
Accretion in carrying value of convertible senior unsecured notes	1,773,778	1,488,425	3,470,578	2,914,224
	13,213,929	10,019,558	32,706,222	20,290,687
Net loss for the period	(12,209,038)	(9,963,807)	(30,839,001)	(19,914,926)
Other comprehensive income				
Unrealized (gain) loss on available-for-sale short-term investments	(7,685)	—	3,109	—
Comprehensive loss for the period	(12,201,353)	(9,963,807)	(30,842,110)	(19,914,926)
Basic and diluted loss per share	(\$0.05)	(\$0.21)	(\$0.15)	(\$0.42)
Weighted average number of common shares	240,209,679	47,566,927	211,589,703	47,561,154

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STATEMENTS OF CASH FLOWS

	Three-month periods ended April 30		Six-month periods ended April 30	
	2007	2006	2007	2006
	\$	\$	\$	\$
OPERATING ACTIVITIES				
Net loss	(12,209,038)	(9,963,807)	(30,839,001)	(19,914,926)
Items not affecting cash:				
Amortization of property, plant and equipment	66,480	72,944	129,146	145,758
Amortization of intangible assets	4,306	2,048	8,611	16,534
Amortization of deferred financing fees	8,722	8,722	17,444	17,444
Amortization of discount on long-term investments	(25,030)	330	(40,217)	2,658
Non-cash stock-based compensation	1,445,652	1,386,012	2,276,219	2,725,504
Accretion in value of convertible senior unsecured notes	1,773,778	1,488,425	3,470,578	2,914,224
	(8,935,130)	(7,005,326)	(24,977,220)	(14,092,804)
Net changes in non-cash working capital balances relating to operations	(5,236,536)	2,057,413	(1,912,163)	1,302,573
Cash flows relating to operating activities	(14,171,666)	(4,947,913)	(26,889,383)	(12,790,231)
INVESTING ACTIVITIES				
Acquisition of short-term investments	(5,056,000)	—	(42,046,935)	(4,589,194)
Proceeds on maturities of short-term investments	7,906,801	5,565,830	19,571,102	22,195,268
Acquisition of property, plant and equipment	(73,047)	(2,553)	(138,306)	(114,606)
Acquisition of intangible assets	—	—	(2,751)	—
Acquisition of long-term investments	—	—	(57,219,039)	—
Cash flows relating to investing activities	2,777,754	5,563,277	(79,835,929)	17,491,468
FINANCING ACTIVITIES				
Draw down from bridge loan	—	2,000,000	—	2,000,000
Issuance of units for cash	3,483	9,351	120,253,483	13,198
Issuance costs paid in cash	(9,734)	—	(6,658,350)	—
Cash flows relating to financing activities	(6,251)	2,009,351	113,595,133	2,013,198
Net increase (decrease) in cash and cash equivalents during the period	(11,400,163)	2,624,715	6,869,821	6,714,435
Cash and cash equivalents, beginning of period	22,304,921	4,226,938	4,034,937	137,218
Cash and cash equivalents, end of period	10,904,758	6,851,653	10,904,758	6,851,653
Supplemental cash flow information:				
Cash paid during the period for interest:	—	154	1,273	260