
For immediate release

ConjuChem Announces Fiscal 2009 Second Quarter Financial Results

MONTREAL, Canada, June 11, 2009 – ConjuChem Biotechnologies (TSX:CJB) today announced financial results for the second quarter of fiscal 2009, ended April 30, 2009.

“We recently presented results at American Diabetes Association's 69th Annual Scientific Sessions from two randomized Phase II trials of PC-DAC[™]:Exendin-4 as well as preclinical data for PC-Insulin, generating significant scientific interest in our two diabetes drugs and our proprietary approach to overcoming the limitations of short-lived therapeutic peptides,” said Mark Perrin, President and CEO of ConjuChem. “This conference was also an important venue for advancing licensing discussions for our products. Our current highest priority is to secure a partner who will support our efforts to bring PC-DAC[™]:Exendin-4 to market.”

Financial Results

Net loss for the quarter ended April 30, 2009 amounted to \$6.1 million compared to \$7.9 million for the quarter ended April 30, 2008. Net loss for the six-month period ended April 30, 2009 amounted to \$11.9 million compared to \$19.8 million for the six-month period ended April 30, 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 six-month period of the 2008 fiscal year, a decrease in R&D expenses and by the reversal of tax-related reserves following the results of tax audits in the first six-month period of the 2009 fiscal year.

The Company recorded interest income on cash and investments that amounted to \$32,276 for the quarter ended April 30, 2009, compared to \$375,926 for the quarter ended April 30, 2008. The Company recorded interest income on cash and investments that amounted to \$138,517 for the six-month period ended April 30, 2009, compared to \$948,581 for the six-month period ended April 30, 2008. The decreases in interest income were a result of a reduced investment portfolio base combined with a general decrease in market rates.

Gross research and development expenses amounted to \$2.9 million for the quarter ended April 30, 2009, compared to \$5.4 million for the quarter ended April 30, 2008. Gross research and development expenses amounted to \$7.1 million for the six-month period ended April 30, 2009, compared to \$9.1 million for the six-month period ended April 30, 2008. The decreases are due to the completion of phase II clinical trials in November 2008 for PC-DAC[™]:Exendin-4.

General and administrative costs amounted to \$1.5 million for the quarter ended April 30, 2009, compared with \$1.2 million for the quarter ended April 30, 2008. General and administrative costs amounted to \$2.5 million for the six-month period ended April 30, 2009, compared with \$2.8 million for the six-month period ended April 30, 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 six-month period ended April 30, 2008. The increase in general and administrative expenses in the quarter ended April 30, 2009 is largely attributable to professional fees and to severance costs related to a reduction in headcount. During the quarter ended April 30, 2009, 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 included a workforce reduction of approximately 50% of the Company's personnel.

As at April 30, 2009, the Company had cash and cash equivalents and investments totaling \$8.7 million compared to \$21.1 million as at October 31, 2008. As at April 30, 2009, working capital amounted to \$3.1 million, compared to \$12.0 million as at October 31, 2008. ConjuChem believes that its current cash and cash equivalents, marketable securities and interest income will be sufficient to carry out current research and development plans and operations into the fourth quarter of 2009.

About ConjuChem

ConjuChem, a developer of next generation medicines from therapeutic peptides, creates long-acting compounds based on its proprietary bioconjugation platform technology. The Company has two major development programs: PC-DAC™:Exendin-4, a GLP-1 receptor agonist in Phase II clinical development and PC-Insulin, a long-acting basal insulin in preclinical development.

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

	April 30, 2009	October 31, 2008
	\$	\$
ASSETS		
Current		
Cash and cash equivalents	2,689,621	2,187,423
Investments	5,972,581	18,934,737
Accounts receivable	80,104	160,644
Investment tax credits receivable	1,022,000	542,000
Prepaid expenses	146,236	229,006
Total current assets	9,910,542	22,053,810
Property, plant and equipment	732,514	841,685
Intangible assets	8,331	11,108
	10,651,387	22,906,603
LIABILITIES AND SHAREHOLDERS' DEFICIENCY		
Current liabilities		
Accounts payable and accrued liabilities	6,858,482	10,080,463
Total current liabilities	6,858,482	10,080,463
Convertible unsecured subordinated debentures	15,018,184	13,634,906
	21,876,666	23,715,369
Shareholders' deficiency		
Capital stock	266,858,635	266,823,735
Warrants	10,817,394	10,817,394
Equity portion of convertible unsecured subordinated debentures	5,184,867	5,193,793
Contributed surplus	50,211,587	48,818,826
Deficit	(344,298,290)	(332,390,857)
Accumulated other comprehensive income (loss)	528	(71,657)
Total shareholders' deficiency	(11,225,279)	(808,766)
	10,651,387	22,906,603

ConjuChem Biotechnologies Inc.

UNAUDITED INTERIM STATEMENTS OF DEFICIT

	Three-months ended		Six-months ended	
	April 30,	April 30,	April 30,	April 30,
	2009	2008	2009	2008
	\$	\$	\$	\$
Deficit, beginning of period	(338,219,066)	(304,814,216)	(332,390,857)	(292,973,699)
Net loss for the period	(6,079,224)	(7,925,350)	(11,907,433)	(19,765,867)
Deficit, end of period	(344,298,290)	(312,739,566)	(344,298,290)	(312,739,566)

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**UNAUDITED INTERIM STATEMENTS OF
OPERATIONS AND COMPREHENSIVE LOSS**

	Three-months ended		Six-months ended	
	April 30,	April 30,	April 30,	April 30,
	2009	2008	2009	2008
	\$	\$	\$	\$
REVENUES				
Contract revenues	15,443	24,557	15,443	51,904
Interest income	32,276	375,926	138,517	948,581
	47,719	400,483	153,960	1,000,485
EXPENSES				
Research and development	2,937,049	5,422,425	7,064,280	9,080,282
Investment tax credits	(250,000)	(100,000)	(1,330,000)	(200,000)
Net research and development expenses	2,687,049	5,322,425	5,734,280	8,880,282
General and administrative expenses	1,458,416	1,211,310	2,511,160	2,797,951
Amortization of property, plant and equipment	40,572	54,979	84,686	110,100
Amortization of intangible assets	1,388	2,443	2,777	4,924
Stock-based compensation	791,056	657,959	1,392,761	1,372,838
Financial charges	5,545	6,101	8,897	10,307
Foreign exchange loss	26,829	12,324	117,292	191,275
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	1,116,088	1,058,292	2,209,540	1,626,809
Loss on redemption of long-term investments	—	—	—	267,439
	6,126,943	8,325,833	12,061,393	20,766,352
Net loss	(6,079,224)	(7,925,350)	(11,907,433)	(19,765,867)
OTHER COMPREHENSIVE INCOME				
Unrealized gain/(loss) on investments	(63)	405	72,185	2,732
Comprehensive loss	(6,079,287)	(7,924,945)	(11,835,248)	(19,763,135)
Basic and diluted loss per share	(0.02)	(0.03)	(0.05)	(0.08)
Weighted average number of common shares outstanding during the period	250,456,997	240,213,668	250,444,504	240,213,668

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UNAUDITED INTERIM STATEMENTS OF CASH FLOWS

	Three-months ended		Six-months ended	
	April 30, 2009	April 30, 2008	April 30, 2009	April 30, 2008
	\$	\$	\$	\$
OPERATING ACTIVITIES				
Net loss	(6,079,224)	(7,925,350)	(11,907,433)	(19,765,867)
Items not affecting cash:				
Amortization of property, plant and equipment	40,572	54,979	84,686	110,100
Amortization of intangible assets	1,388	2,443	2,777	4,924
Amortization of premium on long-term investments	—	—	—	(8,436)
Stock-based compensation	791,056	657,959	1,392,761	1,372,838
Accretion in carrying value of convertible senior unsecured notes and interest	—	—	—	5,504,427
Accretion in carrying value of convertible unsecured subordinated debentures	719,752	389,639	1,409,252	958,156
Gain on proceeds for sales of property, plant and equipment	(5,253)	—	(5,253)	—
Loss on redemption of long-term investments	—	—	—	267,439
	(4,531,709)	(6,820,330)	(9,023,210)	(11,556,419)
Net changes in non-cash working capital balances relating to operations	(390,402)	2,102,413	(3,538,671)	526,257
Cash flows relating to operating activities	(4,922,111)	(4,717,917)	(12,561,881)	(11,030,162)
INVESTING ACTIVITIES				
Acquisition of investments	(4,236,904)	(8,784,180)	(9,043,104)	(21,694,881)
Proceeds on maturities of investments	7,331,130	11,115,581	22,077,445	21,515,408
Acquisition long-term investments	—	—	—	(167,037)
Proceeds on redemption of long-term investments	—	—	—	59,644,132
Acquisition of property, plant and equipment	(958)	—	(11,652)	(9,772)
Proceeds for sales of property, plant and equipment	41,390	—	41,390	—
Acquisition of intangible assets	—	—	—	(1,179)
Cash flows relating to investing activities	3,134,658	2,331,401	13,064,079	59,286,671
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	—	—	—	(37,771,328)
Net change in cash and cash equivalents during the period	(1,787,453)	(2,386,516)	502,198	10,485,181
Cash and cash equivalents, beginning of period	4,477,074	14,107,401	2,187,423	1,235,704
Cash and cash equivalents, end of period	2,689,621	11,720,885	2,689,621	11,720,885
Supplemental cash flow information:				
Interest paid	52	—	814,661	13,006,914