



ConjuChem Biotechnologies Inc.
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Canada

For immediate release

ConjuChem Biotechnologies Announces Fiscal 2007 Year-End Financial Results

MONTREAL, Canada, January 29, 2008 – ConjuChem Biotechnologies Inc. (TSX: CJB) today announced financial results for its fiscal year, ended October 31, 2007.

“During 2007, we continued to focus on advancing our lead product, PC-DAC™:Exendin-4 for the treatment of Type 2 diabetes. Highlighting the year, we reported data from our one-month multi-dose Phase I/II clinical trial that were positive, statistically significant and highly encouraging,” said Mark Perrin, President and CEO of ConjuChem. “We now look forward to progressing to our Phase II program, which is scheduled to commence in the first quarter and will evaluate our product in an even larger patient population and over a longer duration. We are confidently optimistic, based on the results of our previous studies, that this trial will further validate the enormous potential of PC-DAC™:Exendin-4.”

The Company’s net loss for the quarter ended October 31, 2007 amounted to \$6.5 million, or (\$0.03) per share, compared to \$15.9 million, or (\$0.29) per share, for the quarter ended October 31, 2006. The net loss for the year ended October 31, 2007 amounted to \$45.9 million or (\$0.20) per share, compared to \$46.2 million, or (\$0.90) per share, for the year ended October 31, 2006. The decrease in the net loss is mainly attributable to an increase in interest income of \$3.2 million compensated by an increase of \$2.8 million in net Research and Development expenses.

The Company recorded interest income on cash, short and long-term investments that amounted to \$876,394 for the quarter ended October 31, 2007 compared to \$137,574 for the same period last year. Interest income for the year ended October 31, 2007 was \$3.7 million versus \$447,400 for fiscal 2006. 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 \$3.4 million for the quarter ended October 31, 2007 compared to \$11.5 million for the quarter ended October 31, 2006. Net research and development expenses amounted to \$33.7 million for the year ended October 31, 2007 compared to \$30.9 million for fiscal 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 year 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 \$1.1 million for the quarter ended October 31, 2007 compared to \$1.5 for the quarter ended October 31, 2006. For the year ended October 31, 2007 general and administrative costs amounted to \$4.8 million, consistent with the \$4.8 million incurred for the same period the previous year.

At October 31, 2007, the Company had cash and cash equivalents and available-for-sale short-term investments totalling \$25.9 million compared to \$11.3 million as at October 31, 2006. As at October 31, 2007, working capital amounted to \$18.9 million.

Subsequent to year-end, the Company repaid the convertible senior unsecured notes amounting to \$45,000,000 plus accrued interest of \$13,006,914 for a total amount of \$58,006,914 and closed a public offering of 22,000 convertible unsecured subordinated debenture units of the Company at a price of \$1,000 per Unit. Each Unit consists of \$1,000 principal amount of convertible unsecured subordinated debentures and 1,562.5 common share purchase warrants. The offering was completed resulting in the issuance of a total of 22,000 units for gross proceeds of \$22,000,000 and net proceeds of approximately \$20,000,000.

Notice of AGM

ConjuChem will hold its Annual General Meeting of Shareholders at 4:15 on Tuesday, March 18, 2008 at the Loews Vogue Hotel, 1425, de la Montagne Street, Montreal, Quebec, H3G 1Z3

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 October 31

	2007	2006
	\$	\$
ASSETS		
Current		
Cash and cash equivalents	1 235 704	4 034 937
Available-for-sale short-term investments	24 643 706	7 244 401
Accounts receivable and other assets	257 116	394 758
Investment tax credits receivable	1 169 000	550 000
Prepaid expenses	208 945	288 746
Total current assets	27 514 471	12 512 842
Held-to-maturity long-term investments	59 736 098	—
Deferred financing fees	—	74 675
Property, plant and equipment	1 049 147	1 161 886
Intangible assets	19 257	33 068
	88 318 973	13 782 471
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)		
Current liabilities		
Accounts payable and accrued liabilities	8 576 258	12 862 582
Unearned revenues	35 314	—
Total current liabilities	8 611 572	12 862 582
Convertible senior unsecured notes	52 502 487	45 276 400
	61 114 059	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	28 008 989	22 466 527
Deficit	(292 973 699)	(247 082 959)
Accumulated other comprehensive loss	(15 333)	—
Total shareholders' equity (deficiency)	27 204 914	(44 356 511)
	88 318 973	13 782 471

ConjuChem Biotechnologies Inc.

STATEMENTS OF DEFICIT

Years ended October 31

	2007	2006
	\$	\$
Deficit, beginning of year	(247,082,959)	(200,918,066)
Net loss for the year	(45,890,740)	(46,164,893)
Deficit, end of year	(292,973,699)	(247,082,959)

ConjuChem Biotechnologies Inc.

**STATEMENTS OF OPERATIONS AND
COMPREHENSIVE LOSS**

Years ended October 31

	2007	2006
	\$	\$
REVENUES		
Contract revenues	69,430	239,123
Interest income	3,693,388	477,400
	<u>3,762,818</u>	<u>716,523</u>
EXPENSES		
Research and development	35,034,021	30,279,595
Investment tax credits	(1,352,940)	582,752
Net research and development expenses	<u>33,681,081</u>	30,862,347
General and administrative expenses	4,754,366	4,754,121
Amortization of property, plant and equipment	255,128	293,467
Amortization of intangible assets	17,442	33,068
Amortization of deferred financing fees	34,888	34,888
Non-cash stock-based compensation	3,872,365	4,806,417
Financial charges	15,976	50,188
Foreign exchange gain	(243,562)	(45,660)
Accretion in carrying value of convertible senior unsecured notes	7,265,874	6,092,580
	<u>49,653,558</u>	<u>46,881,416</u>
Net loss	<u>(45,890,740)</u>	<u>(46,164,893)</u>
Other comprehensive income		
Unrealized loss on available-for-sale short-term investments	(15,333)	—
Comprehensive loss	<u>(45,906,073)</u>	<u>(46,164,893)</u>
Basic and diluted loss per share	<u>(0.20)</u>	<u>(0.90)</u>
Weighted average number of common shares outstanding during the year	<u>226,019,318</u>	<u>51,034,067</u>

ConjuChem Biotechnologies Inc.

STATEMENTS OF CASH FLOWS

Years ended October 31

	2007	2006
	\$	\$
OPERATING ACTIVITIES		
Net loss	(45,890,740)	(46,164,893)
Items not affecting cash:		
Amortization of property, plant and equipment	255,128	293,467
Amortization of intangible assets	17,442	33,068
Amortization of deferred financing fees	34,888	34,888
Amortization of premium on held-to-maturity long-term investments	(91,965)	2,658
Interest receivable on available-for-sale short-term investments	(131,111)	—
Non-cash stock-based compensation	3,872,365	4,806,417
Accretion in carrying value of convertible senior unsecured notes	7,265,874	6,092,580
	(34,668,119)	(34,901,815)
Net changes in non-cash working capital balances relating to operations	(4,652,567)	8,371,788
Cash flows relating to operating activities	(39,320,686)	(26,530,027)
INVESTING ACTIVITIES		
Acquisition of available-for-sale short-term investments	(76,554,076)	(19,137,206)
Proceeds on maturities of available-for-sale short-term investments	59,270,549	29,598,879
Acquisition of long-term investments	(59,644,133)	—
Acquisition of property, plant and equipment	(142,389)	(128,153)
Acquisition of intangible assets	(3,631)	—
Cash flows relating to investing activities	(77,073,680)	10,333,520
FINANCING ACTIVITIES		
Issuance of common shares for cash	120,253,483	15,816,926
Share issue costs paid in cash	(6,658,350)	(1,023,639)
Proceeds from reorganization	—	6,400,000
Costs of reorganization	—	(1,099,061)
Draw down from bridge loan	—	2,000,000
Repayment of bridge loan	—	(2,000,000)
Cash flows relating to financing activities	113,595,133	20,094,226
Net increase (decrease) in cash and cash equivalents during the year	(2,799,233)	3,897,719
Cash and cash equivalents, beginning of year	4,034,937	137,218
Cash and cash equivalents, end of year	1,235,704	4,034,937
Supplemental cash flow information:		
Interest paid	1,604	33,658