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ConjuChem Hits Primary End-Point in Monotherapy Phase II Clinical Trial with DAC™:GLP-1

– DAC™:GLP-1 Shown to Significantly Enhance Glucose Control in Type 2 Diabetes –

Montreal, Canada, July 14, 2004 – ConjuChem Inc. (TSX:CJC) today announced the main results from its monotherapy Phase II clinical trial, designed to evaluate the Company's proprietary compound DAC™:GLP-1 for the treatment of Type 2 Diabetes as well as to provide dosing interval and efficacy data relevant to ConjuChem's combination therapy Phase II development program.

"This trial was principally designed to provide as much insight as possible into this drug's therapeutic profile and specifically to determine its optimal dosing regimen before advancing into larger combination trials," said Dr. Jean-Paul Castaigne, Vice President Development and Chief Scientific Officer. "From a foundation of solid efficacy results, we now have a much clearer path forward for our combination trials."

Trial Design/Patient Profile

This monotherapy Phase II clinical trial began in October 2003 and was designed to assess the compound's effectiveness in reducing glucose levels as measured by multiple parameters including haemoglobin A1c (A1c) after three months of treatment and to assist in evaluating the optimal dosage regimen for use in combination therapy. The study also evaluated the drug's impact on the patient's weight. The trial was conducted in 26 centers in the United States, Canada and Europe.

Inclusion in the study required each patient to have an A1c level greater than 7.5%. The vast majority of these patients were on one or two oral anti-diabetic medications and in need of further medical intervention. The trial enrolled 206 patients, whose oral anti-diabetic medications were withdrawn up to 15 days prior to receiving DAC™:GLP-1 and for the remainder of the trial. The male to female ratio was 69 to 31, the mean age for the study population was 56±10 years and the mean duration of disease was 5.0±2.9 years. The mean A1c level at the time of inclusion in the study was 8.45±0.9% with an average basal fasting glucose level of 11.9±3.0 mmol/l.

The trial had two principal stages. During the 28-day titration stage, each patient received daily doses of DAC™:GLP-1, escalating periodically in a monotherapy protocol designed to build the plasma concentration of the drug. Following this first stage, each patient was subsequently randomized into one of four treated dosing cohorts (administration of the drug once a day (OD), three times a week (EOD), twice a week (TW), once a week (OW)) or a no treatment control cohort (NT). During this 56-day maintenance phase, patient dosages were individually adjusted with the objective of maintaining stable plasma concentrations.

Safety and Tolerability Results

There were no drug-related serious adverse events reported in this study. Consistent with side-effects seen with the GLP-1 class of compounds, mild to moderate transient nausea and vomiting was observed. Nausea and vomiting was the dose-limiting factor of this study in all cohorts. As an illustration, the patients in the once a week cohort were only able to attain, on average, approximately 35% of the target dosing levels. Other than nausea and vomiting, the tolerability of the product was very good with no immune reactions and no material injection site reactions or blood pressure modifications.

Dropouts*	Titration Stage	Maintenance Stage
- Consent Withdrawal	29 (14.1%)	7 (3.4%)
- Nausea	21 (10.2%)	15 (7.3%)
- Insufficient Efficacy	21 (10.2%)	8 (3.9%)
- Other	4 (1.9%)	7 (3.4%)
Completed Stage	**131 (63.6%)**	**94 (45.6%)**

* Percentages are based on total enrolment of 206 patients

Efficacy Results

Primary End-point: The trial's primary end-point, in accordance with the approved protocol, was a measure of blood glucose referred to as Area-Under-the-Curve (AUC), which assesses glucose levels at several time points following a calibrated meal (Meal Tolerated Test (MTT)). MTTs were undertaken at the end of the washout period, at the end of the titration stage and at the end of the maintenance stage and were performed 24 hours post DAC:GLP-1 injection during the treatment stages. The reported results measuring AUC represent a comparison between the no treatment control cohort and the treated cohorts using a modified intent to treat (modified ITT) basis:

- Glycemia AUC during MTT was lower in treated patients by more than 30% compared to the NT cohort ($p < 0.05$)

Other parameters: The results of these parameters are reported based on completed patients.

A1c:

- OD cohort: 1.5% reduction compared to NT cohort; $p < 0.01$
- EOD cohort: 1.1% reduction compared to NT cohort; $p < 0.01$
- TW cohort: 0.9% reduction compared to NT cohort; $p < 0.05$
- OW cohort: 0.5% reduction compared to NT cohort; $p < 0.01$

(The ending A1c value of the NT cohort was 8.95%)

Weight:

- OD cohort: 2.6 kg reduction; $p = 0.0016$
- EOD cohort: 2.2 kg reduction; $p = 0.02$
- TW cohort: 2.7 kg reduction; $p = 0.002$
- OW cohort: 2.4 kg reduction; $p = 0.003$
- The reduction of weight in the NT cohort was 1.5 kg of which 1.1 kg was observed during the titration phase ($p = 0.23$).

Fasting Plasma Glucose (FPG):

- Average fasting glucose (FPG) was lower in the treated patients compared to the NT control cohort by 29.7%; $p = 0.013$

"Our goal since we began developing this compound was to produce nothing less than a best-in-class product, and today's results strongly suggest that this objective is very realistic and attainable," said Jacques Lapointe, Chairman, President and CEO of ConjuChem. "To ultimately achieve this objective, we must effectively deal with the nausea observed in this trial. We are confident we can do so, based on the guidance coming out of this trial and tangible steps already undertaken."

The Company will be hosting a conference call to discuss these results on Thursday, July 15th, 2004 at 8:30 a.m. EST. The call will be audio-cast live and archived for 90 days at www.financialdisclosure.ca and www.conjuchem.com.

About GLP-1
GLP-1, the body's most potent insulinotropic hormone is a naturally occurring 36 amino acid peptide. GLP-1 has been shown to normalize blood glucose levels by a) stimulating insulin secretion and lowering glucagons secretion in a glucose-dependent manner; b) delaying gastric emptying; c) inducing Beta cell proliferation; d) restoring Beta cell sensitivity to glucose; and e) increasing peripheral sensitivity to insulin (glycogen synthesis). Moreover, GLP-1 appears to have an attractive safety profile, with a low probability of inducing hypoglycemia. However, the half-life of native GLP-1, without the benefit of DAC™ Technology, is only about 5 minutes, as it is simultaneously degraded by serum enzymes and cleared through renal excretion.

About ConjuChem
ConjuChem, the albumin bioconjugation company, is developing long-acting therapeutic compounds based on bioconjugation platform technologies. When applied to peptides, the Company's systemic DAC™ Technology enables the creation of new drugs with significantly enhanced therapeutic properties as compared to the original peptide. The Company is developing compounds to treat various disorders including diabetes, HIV/AIDS, human growth deficiencies and congestive heart failure.

Detailed descriptions of the Company, DAC™ Technology and ConjuChem's product pipeline can be viewed on the Company's web page www.conjuchem.com.

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