

FOR IMMEDIATE RELEASE

**BIOLEX THERAPEUTICS ANNOUNCES INITIATION OF
PHASE 1 CLINICAL STUDY OF HEPATITIS C CANDIDATE LOCTERON™**

PITTSBORO, NORTH CAROLINA, November 2, 2005 – Biolex Therapeutics today announced the dosing of the first cohort of subjects in a Phase 1 study of Locteron™, a next-generation controlled-release form of alfa interferon. Biolex is co-developing Locteron in collaboration with the drug delivery and development company OctoPlus (Leiden, the Netherlands), initially for the treatment of patients with chronic hepatitis C. Locteron combines BLX-883, a recombinant alfa interferon produced by Biolex in its patented LEX System™, with PolyActive™, an advanced controlled-release drug delivery technology developed by OctoPlus.

The Phase 1 study is designed to evaluate the safety and pharmacology of Locteron in 27 healthy volunteers. The randomized, blinded, controlled study is being conducted in the Netherlands and will evaluate single administrations of three different doses of Locteron with comparison to controls consisting of the delivery vehicle, a placebo, and PEG-Intron® (a currently marketed long-acting pegylated alfa interferon).

More than four million people in the United States, and more than 200 million people worldwide, are currently infected with hepatitis C. The standard treatment for patients with chronic hepatitis C is pegylated alfa interferon administered in combination with the anti-viral drug ribavirin. The size of the hepatitis C market is approximately \$3 billion, and is expected to grow at a rate of 10%. The currently available pegylated alfa interferon products require administration once per week for up to 48 weeks and are associated with substantial side effects, particularly during the period following each administration.

In contrast to the currently available interferon products, it was demonstrated in pre-clinical studies that Locteron has linear release characteristics after injection without the high peak plasma levels that have the potential to increase side effects and without the low trough plasma levels that may impair efficacy. Locteron is intended to be administered only once every two weeks as compared to the once-a-week administration of the currently licensed pegylated interferon products. Locteron will be evaluated in clinical studies in combination with either ribavirin or with any of the next-generation anti-viral drug candidates currently under development for the treatment of patients with chronic hepatitis C.

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In a completed Phase 1 study, Biolex' BLX-883 was safely administered at a clinically relevant dose, and demonstrated bioactivity and a side effect profile consistent with Intron® A, a currently marketed alfa interferon used as a comparator. Locteron combines BLX-883 with PolyActive, a second-generation polymer-based microsphere delivery technology that facilitates controlled-release of interferon. PolyActive was developed by OctoPlus for the controlled-release of proteins. Locteron, with PolyActive, has been designed to address the reported shortcomings of current pegylated technologies used to deliver alfa interferon.

“We are very pleased to have moved into the clinic with a product candidate designed to address major areas of unmet clinical need in the treatment of chronic hepatitis C,” said Jan Turek, Chief Executive Officer of Biolex. “By collaborating with companies such as OctoPlus, we are able to take full advantage of the LEX System’s capabilities to develop products that provide clinical advantages, as well as lower capital investment requirements and enhanced scalability than what is currently available.”

Locteron is an investigational therapeutic candidate and has not been approved for sale by the United States Food and Drug Administration or by any international regulatory agency.

About Biolex Therapeutics

Biolex Therapeutics applies its unique drug development capabilities and expertise to commercialize complex proteins and monoclonal antibodies that until now have been impossible or very expensive to develop through traditional means. Biolex' patented LEX System™ uses *Lemna* as a transgenic host in its GMP biopharmaceutical manufacturing facility to produce therapeutic proteins to support its own development programs as well as the programs of its strategic partners. The company is advancing a proprietary pipeline of product candidates, including its lead program Locteron™ under joint development with OctoPlus. Biolex has a multi-protein strategic alliance with Centocor and collaborations with other pharmaceutical/biotech companies including Medarex and Kringle Pharma. Biolex is a venture-capital backed company located in the Research Triangle region of North Carolina, United States. For additional information, please visit Biolex' web site at www.biolex.com.

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