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BIOLEX THERAPEUTICS' LOCTERON™ PHASE 2a HEPATITIS C TRIAL RESULTS SELECTED FOR PRESENTATION AT AASLD CONFERENCE

Biolex Also Announces Top-Line Data from Complete Phase 2a Trial Highlighting Favorable Viral Response and Tolerability Results

PITTSBORO, NORTH CAROLINA, October 12, 2007 - Biolex Therapeutics today announced that the results from its SELECT-1 Phase 2a clinical trial of Locteron™ have been selected for presentation at the 58th Annual Meeting of the American Association for the Study of Liver Diseases (AASLD) in Boston on November 6, 2007. Biolex also announced preliminary top-line results from the Phase 2a trial, a twelve-week study designed to evaluate a range of four doses of Locteron administered once every two weeks in combination with the antiviral drug ribavirin. In each of the two highest dose cohorts of the trial, the combination of Locteron and ribavirin resulted in an early virologic response (EVR) in 100% (16/16) of the hepatitis C patients treated. Importantly, the study results also suggested that patients receiving Locteron experienced side effects that were less frequent and less severe than those previously reported in clinical trials for the currently marketed pegylated interferons and for Albuferon™, a product candidate currently under development. Biolex is co-developing Locteron with its partner OctoPlus N.V.

SELECT-1 (Safety and Efficacy of Locteron: European Clinical Trial-1) was designed to evaluate four different doses of Locteron, 160, 320, 480 and 640 micrograms (µg), administered once every two weeks in combination with ribavirin administered orally twice per day in 32 treatment-naïve hepatitis C patients. The final dose cohort, 640 µg, was triggered following a favorable assessment of safety and tolerability for the first three dose cohorts. As a controlled-release interferon alfa, Locteron is designed to improve patient care through a more favorable side-effect profile and more convenient patient dosing compared to existing pegylated interferon products and Albuferon (albumin-fused interferon), each of which lack a controlled-release mechanism.

“We are pleased to have successfully completed this Phase 2a Locteron clinical trial, and have achieved our objective of identifying multiple doses with an appropriate combination of early viral reduction and favorable tolerability,” said Mr. Jan Turek, Biolex President and Chief Executive Officer. “We are preparing to advance the product into Phase 2b clinical trials, expected to begin in the first half of 2008.”

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SELECT-1 Top-Line Results

Top-line anti-viral results for SELECT-1 were as follows:

- A dose response was observed in the study, with patients treated with the 320, 480 and 640 µg doses of Locteron demonstrating a greater reduction in hepatitis C virus than the patients treated with the 160 µg dose at all measurement times. Average viral reduction after 12 weeks of treatment was greater than four logs for each of the 640, 480 and 320 µg doses, compared to 1.8 logs for the lowest dose of 160 µg.
- The percentage of patients who achieved early virologic response (EVR), defined as at least a two-log reduction in hepatitis C virus, was 100% in the 640 and 480 µg dose cohorts and 88% in the 320 µg dose cohort, compared to 37.5% in the 160 µg dose cohort. The results compare favorably with results previously reported in clinical trials for the currently marketed pegylated interferon alfa products and for Albuferon for which EVR rates ranging from approximately 74% to 90% in clinical trials have been reported.

Locteron side effect and patient tolerability results in SELECT-1 were as follows:

- Locteron was well tolerated at all doses.
- There were no serious adverse events in the 160 µg, 320 µg, and 480 µg cohorts. There was one serious adverse event in the 640 µg cohort, a case of otitis, or inflammation of the ear, which completely resolved.
- The vast majority (over 90%) of the adverse events that were experienced were rated as mild.

The majority of the side effects experienced by patients treated with Locteron in the SELECT-1 study appear to be less frequent and less severe than the side effects reported in previous clinical trials for pegylated interferons and Albuferon. For example, only one patient (3%) in the SELECT-1 study receiving Locteron experienced an adverse event rated as severe, indicating an improvement over previously reported incidences of 14% and 18% in clinical trials for Pegasys® and Albuferon, respectively. In addition, serious adverse events in SELECT-1 were limited to the one aforementioned event occurring in the highest, 640 µg, Locteron dose cohort.

“Our original hypothesis for Locteron was that combining a controlled-release mechanism with a proven interferon alfa would have the potential to provide a high level of efficacy while resulting in an improvement in side effects and patient tolerability,” said David Spencer, Ph.D., Biolex Chief Operating Officer and Senior Vice President, Research and Development. “SELECT-1 has highlighted three doses that appear to provide a favorable combination of efficacy and improved tolerability. We believe that the need for improved patient tolerability will become even greater with the emergence of new antiviral products. These emerging antiviral products are associated with additional side effects, further adding to the potential for Locteron to be the interferon of choice for future combination therapy as a result of its potential for improved patient tolerability.”

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Additional results to be presented at the AASLD conference include full viral kinetic and pharmacokinetic results.

Locteron Overview

Locteron combines BLX-883, a recombinant interferon alfa produced by Biolex in its patented LEX SystemSM, with PolyActiveTM, an advanced controlled-release drug delivery technology developed by OctoPlus. Locteron is the only controlled-release interferon alfa known to us to be currently in active Phase 2 clinical development for the treatment of hepatitis C and is designed to improve patient care through a more favorable side-effect profile and more convenient patient dosing. Locteron is configured to allow dosing once every two weeks, an improvement in patient convenience compared to currently marketed pegylated interferon alfa products that require dosing every week. More importantly, Locteron's controlled-release mechanism results in the gradual release of interferon alfa to patients over the duration of two weeks. This controlled-release mechanism is designed to cover inter-dose troughs while reducing the frequency, duration and severity of side effects, including flu-like symptoms, commonly experienced by patients treated with currently marketed pegylated interferons and with Albuferon.

Biolex and OctoPlus plan to commence SELECT-2, a Phase 2b trial of Locteron in the first half of 2008. The 12-week results of the Phase 2b trial will be used as the basis for dose selection for the commencement of the Phase 3 development program. 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 is a clinical-stage biopharmaceutical company that uses its patented LEX SystemSM to develop hard-to-make therapeutic proteins and to optimize monoclonal antibodies. The LEX System is a novel technology that genetically transforms the aquatic plant *Lemna* to enable the production of biologic product candidates. The company's product candidates are designed to provide superior efficacy/tolerability profiles and to address large, proven pharmaceutical markets. Biolex's lead product candidate, LocteronTM, under joint development with OctoPlus N.V., is in Phase 2 clinical trials and is the only controlled-release interferon alfa known to be currently in active clinical development for the treatment of chronic hepatitis C. Biolex has also developed two other product candidates that capitalize on the benefits of the LEX System, which it is advancing toward clinical trials: BLX-155, a direct-acting thrombolytic designed to dissolve blood clots in patients; and BLX-301, an anti-CD20 antibody it is optimizing for the treatment of non-Hodgkin's B-cell lymphoma and other diseases.

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