

**BIOLEX TO PRESENT FINAL PHASE 2B RESULTS AT EASL FOR LOCTERON<sup>®</sup>  
NEXT-GENERATION CONTROLLED-RELEASE INTERFERON FOR HCV**

**Presentations will Highlight Strong Antiviral Activity and SVR Rates Together With  
Significant Reductions in Flu-Like Adverse Events and Reduced Rates of Depression**

**Significant Tolerability Advantages and a 50% Reduction in Dosing Frequency Support  
Locteron's Attractiveness for Use in New Triple and Quad Combination Regimens**

**PITTSBORO, NORTH CAROLINA, March 10, 2011** – Biolex Therapeutics, Inc. announced today that final results from its SELECT-2 Phase 2b trial of Locteron<sup>®</sup> for the treatment of hepatitis C have been accepted for two presentations on March 31, 2011 at the 46<sup>th</sup> Annual Meeting of the European Association for the Study of the Liver (EASL) to be held in Berlin, Germany. Locteron, the only controlled-release interferon alpha, is designed to offer at least equal efficacy with key tolerability and dosing advantages over currently marketed interferons as a core component of new combination therapies for hepatitis C. Locteron's observed advantages include significant reductions in flu-like symptoms, reduced rates of depression, and a 50% less-frequent dosing regimen with once every other week dosing.

Final SELECT-2 study results will be presented for the first time at the EASL conference, including:

- Sustained virologic response (SVR) rates at completion of the trial (week 72), as well as final tolerability comparison results using both traditional clinic visit data and electronic patient reported outcome measures.
- Timing and frequency of depression during the 48 weeks of treatment in SELECT-2. Depression is a serious medical condition that requires careful monitoring during hepatitis C treatment. Favorable Locteron results related to depression rates will be highlighted in a separate presentation during the EASL conference.

SELECT-2 was a dose-finding study comparing three doses of Locteron versus the PEG-Intron<sup>®</sup> control arm in 116 treatment-naïve, genotype-1, chronic hepatitis C patients in the United States and Europe (all patients also received weight-based ribavirin). Patients in SELECT-2 were scheduled to be treated for 48 weeks and followed for an additional 24 weeks to determine their SVR rate.

Interim SELECT-2 results were the subject of multiple presentations at the EASL conference in April 2010 and the Annual Meeting of the American Association for the Study of Liver Diseases (AASLD) conference in November 2010. The interim results supported the expected product profile for Locteron by demonstrating:



- Viral response rates for all Locteron doses that were comparable with or exceeded the response rate for the control group, achieved with half as many injections of Locteron versus the control;
- Statistically and clinically significant reductions in flu-like adverse events for the Locteron cohorts compared to the control group, as high as 60+% reductions;
- Substantially reduced use of concomitant medications (analgesics and antipyretics) for the Locteron cohorts compared to the control group;
- Substantially lower rates of depression for the two Locteron cohorts comprising the expected commercial dose range compared to the control group;
- Lower discontinuations due to adverse events for the two Locteron cohorts comprising the expected commercial dose range compared to the control group.

“We are pleased that the final results from the SELECT-2 trial have been selected for multiple presentations at this prestigious conference,” said Jan Turek, Biolex’s President and Chief Executive Officer. “We believe that data presentations highlighting significantly reduced rates of flu-like events and marked reductions in the rates of depression associated with Locteron will be of particular interest as doctors, patients and payors clearly need a far better tolerated interferon as a backbone drug for the new triple and quad combination regimens with DAAs.”

“Without a better tolerated interferon, these new triple and quad combinations will carry huge tolerability challenges that will limit access to care, reduce treatment intent rates and likely cause poor adherence in a real-world setting which we know lowers cure rates and raises the risk of multi-drug resistance,” Turek further explained. “Our goal as we move into Phase 3 is to leverage Locteron’s clear advantages in tolerability, combinability and dosing to position it along with the best direct-acting anti-virals to set the new standard in combination therapy for hepatitis C.”

### **Locteron Overview**

Locteron, controlled-release interferon alpha 2b, is designed to offer key advantages compared to currently approved products, including reduced flu-like symptoms and rates of depression, and cutting in half the number of injections required. In contrast to Locteron, the currently approved products, Pegasys<sup>®</sup> and PEG-Intron, are immediate-release products that lack a controlled-release mechanism. The two-drug combination of interferon alpha and ribavirin serves as the current standard of care for the treatment of hepatitis C. However, the launch of the first direct-acting anti-viral (DAA) product, projected to occur this year, will transform treatment of genotype-1 patients to a triple-drug therapy (interferon plus ribavirin plus DAA) and substantially raise cure rates. Other recent triple or quad drug combinations with interferon (including interferon plus ribavirin plus two DAA agents) have shown promise in early clinical testing, further solidifying the continued role of interferon in the treatment of hepatitis C. It is estimated that worldwide sales of interferon products for the treatment of hepatitis C will approach \$6 billion by 2016.



Locteron incorporates an advanced controlled-release drug delivery technology that allows dosing once every two weeks. This is considerably more convenient than Pegasys and PEG-Intron, each of which requires dosing every week. More importantly, Locteron's controlled-release mechanism results in the gradual release of interferon alpha 2b to patients over the duration of two weeks and avoids the early peak plasma levels of the active interferon that characterize the pegylated interferons. This controlled-release mechanism is designed to reduce the frequency and severity of flu-like symptoms and depression commonly experienced by patients treated with pegylated interferons.

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 biopharmaceutical company that uses its patented LEX System<sup>SM</sup> to develop follow-on biologics, 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 best-in-class efficacy/tolerability profiles while incorporating proven mechanisms of action. Biolex's lead product candidate, Locteron<sup>®</sup>, has completed two Phase 2b clinical trials for the treatment of chronic hepatitis C. Biolex has also developed two other product candidates that capitalize on the benefits of the LEX System. BLX-155 is a direct-acting thrombolytic designed to dissolve blood clots in patients. BLX-301 is a humanized anti-CD20 antibody glyco-optimized for the treatment of non-Hodgkin's B-cell lymphoma and other diseases.

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