

**FOR IMMEDIATE RELEASE**

**BIOLEX THERAPEUTICS ANNOUNCES POSITIVE PHASE 2a RESULTS FOR  
HEPATITIS C PRODUCT CANDIDATE LOCTERON™**

**PITTSBORO, NORTH CAROLINA, JULY 26, 2007** – Biolex Therapeutics today announced successful initial results from the SELECT-1 Phase 2a clinical trial of Locteron™, the first controlled-release interferon alfa being developed for the treatment of chronic hepatitis C. In the 12-week Phase 2a trial, the combination of the highest dose of Locteron evaluated and the antiviral drug ribavirin achieved an early virologic response (EVR) in 100% of the hepatitis C patients treated. Importantly, the study results also indicated 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 albumin-fused interferon (Albuferon™) 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 a range of up to four doses of Locteron administered once every two weeks in combination with ribavirin in a total of 32 treatment-naïve hepatitis C patients with the genotype-1 variant of the virus. The SELECT-1 protocol calls for patients to be treated for 12 weeks with the Locteron/ribavirin combination, and the repeat-dose study will assess viral response, safety and tolerability for each dose cohort. Under the protocol, dosing was commenced in January 2007 for the first three eight-patient cohorts of the study, the 160, 320 and 480 microgram (µg) doses, and dosing of the 640 µg cohort was to be triggered based on an assessment of safety and tolerability for the first three dose cohorts. As a result of a favorable safety and tolerability review for the first three dose cohorts, dosing of patients in the 640 µg cohort commenced in May 2007 and results are expected to be available in the fourth quarter of 2007.

“We are very pleased with the results from SELECT-1 as they support our original hypothesis for Locteron, that a controlled-release interferon alfa has the potential to provide a high level of efficacy while resulting in an improvement in side effects and patient tolerability,” said Mr. Jan Turek, Biolex President and Chief Executive Officer. “Even in advance of completion of the highest-dose cohort in the study, SELECT-1 has highlighted two doses that appear to provide a 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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### **SELECT-1 Antiviral Results**

The study has been completed for the 160, 320 and 480 µg dose cohorts of the study. The 12-week antiviral results for the two Locteron doses that were most effective, the 320 and 480 µg doses, compare favorably with results previously reported in clinical trials for the currently marketed pegylated interferon alfa products and for Albuferon. At the conclusion of the study, 12 weeks of treatment, the results for the 160, 320 and 480 µg dose cohorts were as follows:

- A dose response was observed in the study, with patients treated with the 320 and 480 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 for the 320 and 480 µg doses was 4.5 and 4.2 logs, respectively, compared to 1.8 logs in the lowest dose of 160 µg.
- After 12 weeks of treatment, plasma hepatitis C RNA was reduced to undetectable levels (< 28 IU/ml) in 63% (5/8) and 63% (5/8) of the patients in the 320 and 480 µg dose cohorts, respectively, compared to 13% (1/8) of the patients in the lowest-dose group 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 after 12 weeks of treatment, was 88% (7/8) and 100% (8/8) in the 320 and 480 µg dose cohorts, respectively, compared to 38% (3/8) of the patients in the lowest-dose group of 160 µg. Achievement of EVR has been broadly established to be a pre-requisite for long-term response.

### **SELECT-1 Safety and Tolerability Results**

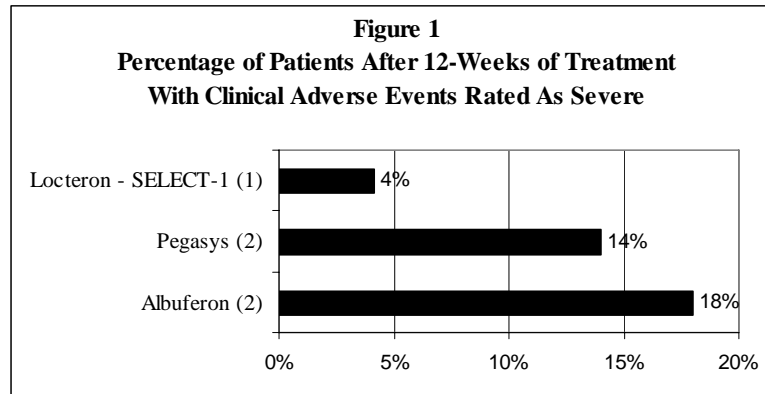
The following Locteron side effect and patient tolerability results were observed during the 12 weeks of treatment for the 160, 320 and 480 µg dose cohorts:

- Locteron was safe and well tolerated.
- There were no serious adverse events.
- The vast majority (over 90%) of the adverse events that were experienced were rated as mild.
- Dose reductions were limited to one patient each in the 320 and 480 µg dose cohorts with none in the 160 µg dose cohort.
- No patients discontinued treatment.

The majority of the side effects experienced by patients treated with Locteron in the SELECT-1 study in the 160, 320 and 480 µg dose cohorts 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 in the SELECT-1 study receiving Locteron experienced an adverse event rated as severe, indicating an improvement over previously reported results in clinical trials for Pegasys® and Albuferon as illustrated in Figure 1.

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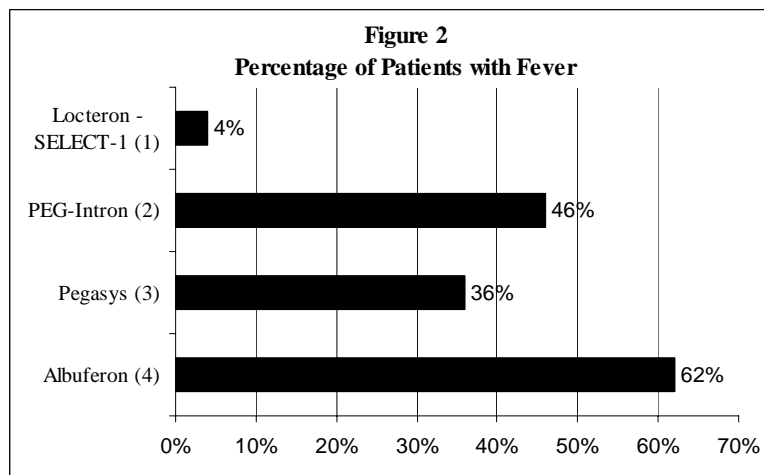


<sup>1</sup> SELECT-1 Phase 2a study for 160, 320 and 480 µg dose cohorts combined. The single patient with an adverse event rated as severe was in the 320 µg dose cohort.

<sup>2</sup> Zeuzem, et al., 2006 European Association for the Study of the Liver. Albuferon results are for 900 and 1200 µg dose cohorts combined.

Comparable results for PEG-Intron® were not available.

Although many of the side effects experienced by patients in the SELECT-1 trial and clinical trials for other interferon products are subjective in nature, the occurrence of fever is an objective point of comparison and is a marker for the family of adverse events characterized as flu-like symptoms. Fever, characterized by a temperature reading of at least 38°C, occurred in only one (4%) of the Locteron patients in SELECT-1, notably lower than other interferon products as illustrated in Figure 2.



<sup>1</sup> Results through 12 weeks of treatment for SELECT-1 Phase 2a study for 160, 320 and 480 µg cohorts combined. The single patient with fever was in the 320 µg dose cohort.

<sup>2</sup> Results through 48 weeks of treatment for clinical trials reported in PEG-Intron package insert.

<sup>3</sup> Results through 48 weeks of treatment for clinical trials reported in Pegasys package insert.

<sup>4</sup> Results through four weeks of treatment reported in Bain, et al., *J Hepatol* 2006, 44:671-678, for 900 and 1200 µg dose cohorts combined.

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Furthermore, the rates of other side effects previously reported in clinical trials for pegylated interferons and Albuferon, such as chills, diarrhea, dizziness, headache, irritability, and nausea, also appeared to be lower in patients treated with Locteron in SELECT-1. All other side effects experienced by patients treated with Locteron in SECLECT-1 were predominantly mild and appeared as a group to be comparable with other interferon products.

### **Locteron Overview**

Locteron combines BLX-883, a recombinant interferon alfa produced by Biolex in its patented LEX System<sup>SM</sup>, with PolyActive<sup>TM</sup>, an advanced controlled-release drug delivery technology developed by OctoPlus. Locteron is the first controlled-release interferon alfa under 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 2008 after assessment of the final results from the SELECT-1 Phase 2a trial, expected to occur in the fourth quarter of 2007. 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 Therapeutics is developing and commercializing therapeutic proteins based on its proprietary LEX System<sup>SM</sup>, an expression system that enables the commercially viable production of hard-to-make proteins and the optimization of monoclonal antibodies. The Company is developing a proprietary pipeline of biologic product candidates that have known mechanisms of action and have the potential to provide a reduced risk profile while targeting large, proven pharmaceutical markets. Biolex's lead candidate, Locteron<sup>TM</sup>, under joint development with OctoPlus N.V., is in Phase 2 clinical development as a controlled-release interferon alfa for the treatment of hepatitis C. The Company's second product candidate, BLX-155, is a direct-acting thrombolytic, designed to break up blood clots in patients with diseases or conditions such as acute peripheral arterial disease, deep vein thrombosis and hemodialysis graft thrombosis. In addition, the potential capabilities of the LEX System has

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led to collaborations with Centocor, Medarex, Genmab and other leading pharmaceutical and biotech companies. Biolex is a venture capital-backed company located in the Research Triangle region of North Carolina, United States. For additional information, please visit Biolex's web site at [www.biolex.com](http://www.biolex.com).

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