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**BIOLEX THERAPEUTICS ANNOUNCES INITIATION OF
LOCTERON™ PHASE 2 CLINICAL STUDY IN CHRONIC HEPATITIS C**

PITTSBORO, NORTH CAROLINA, January 30, 2007 - Biolex Therapeutics today announced the initiation of a Phase 2a clinical trial of its lead product candidate Locteron™, a best-in-class controlled-release interferon alfa. Locteron is being developed as a treatment for chronic hepatitis C, a virus infecting more than four million people in the United States. The Phase 2a study is designed to evaluate Locteron in combination with the anti-viral drug ribavirin in previously untreated chronic hepatitis C patients. Clinical investigators in this study have commenced patient dosing and top-line results are expected in the middle of 2007.

Locteron combines BLX-883, a recombinant interferon alfa produced in Biolex's proprietary LEX SystemSM, with PolyActive™, an advanced controlled-release drug delivery technology developed by the Company's co-development partner OctoPlus N.V. The pharmacokinetic and pharmacodynamic results demonstrated in the Phase 1 study of Locteron support dosing of hepatitis C patients once every two weeks, a substantial improvement over currently marketed pegylated interferons that require dosing every week. In addition, Locteron is designed to reduce the severity and duration of certain side effects, such as flu-like symptoms, by eliminating the undesirable early high peak plasma levels (burst effect) that are typically observed with currently marketed pegylated interferons and newer interferon product candidates under development.

This Phase 2a randomized study, known as SELECT-1 (Safety and Efficacy of Locteron: European Clinical Trial-1), will evaluate a range of up to four doses of Locteron given every two weeks in combination with ribavirin in treatment-naïve hepatitis C patients with the genotype-1 variant of the virus. The 32 patients in SELECT-1 will be treated for 12 weeks with the Locteron/ribavirin combination, and the repeat-dose study will assess viral response, safety and tolerability. Results from the study will be used to select the doses of Locteron to be advanced to later-stage clinical development.

“We are pleased with the clinical progress of Locteron, and we see a fairly predictable regulatory pathway based on interferon alfa's proven mechanism of action,” said Mr. Jan Turek, Biolex's Chief Executive Officer. “Clinicians and other care providers have strongly conveyed the need for more convenient treatments with fewer side effects in hepatitis C, and we believe that Locteron has strong potential to provide patients many advantages over

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currently available therapies. In particular, the less frequent administration and reduced side effects demonstrated in the Phase 1 clinical evaluation of Locteron position this novel interferon to complement existing treatment protocols as well as the array of new antiviral agents currently under development.”

The potential benefits of Locteron are highlighted by the results of a randomized, double-blind, placebo- and active-controlled dose-escalation, healthy volunteer Phase 1 study of Locteron. As reported at the European Association for the Study of Liver Disease (EASL) conference in April 2006, the Phase 1 study demonstrated the safety and tolerability of Locteron administered as a single dose. Notably, flu-like symptoms among the groups receiving Locteron in the study were reported to be less frequent, less severe and of shorter duration than in the subjects receiving PEG-INTRON®, the currently marketed interferon that served as the control. Additionally, the administration of Locteron resulted in biomarker levels that were equal to or greater than those measured in the participants receiving PEG-INTRON in the study, and this bioactivity was sustained over a two-week period, supporting the once every two week dosing profile of Locteron. Specifically, none of the subjects administered the 80 mcg dose of Locteron incurred any flu-like symptoms, yet the biomarker levels for this group were equivalent to those measured in the PEG-INTRON control group (all of whom incurred flu-like symptoms). Furthermore, the group receiving the highest dose of Locteron, 320 mcg, had flu-like symptoms that were milder and of shorter duration than the PEG-INTRON group, but had biomarker levels that substantially exceeded those of the PEG-INTRON group.

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 Hepatitis C

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 interferon alfa administered in combination with the anti-viral drug ribavirin. 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. Independent market research predicts that modified interferons will continue to be a key component of combination therapy for hepatitis C patients and is expected to be complementary with new agents under development. These sources estimate that total interferon sales for the treatment of hepatitis C will exceed \$5 billion by 2014.

About Biolex Therapeutics

Biolex Therapeutics is developing and commercializing therapeutic proteins based on its proprietary LEX SystemSM, an expression system that enables the production, development

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and commercialization of hard-to-make proteins and the optimization of monoclonal antibodies. The Company is developing a proprietary pipeline of products that rely upon known mechanisms of action to provide a reduced risk profile while targeting large, proven pharmaceutical markets. Biolex's lead candidate, Locteron™, is being developed as a best-in-class 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 clots in certain diseases such as acute peripheral arterial disease, catheter occlusion and deep vein thrombosis. In addition, the unique capabilities of the LEX System have led to collaborations with Centocor, Medarex and other leading pharmaceutical/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.

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