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**BIOLEX ANNOUNCES PUBLICATION OF PHASE 1 LOCTERON® RESULTS IN
THE *JOURNAL OF INTERFERON & CYTOKINE RESEARCH***

PITTSBORO, NORTH CAROLINA, March 12, 2008 - Biolex Therapeutics, Inc. today announced the publication of results of a Phase 1 clinical trial of Locteron®, a controlled-release interferon alfa in development for the treatment of chronic hepatitis C, in the *Journal of Interferon & Cytokine Research*. In the randomized Phase 1 trial, the administration of Locteron demonstrated bioactivity over a two-week period and resulted in flu-like side effects that were less frequent, milder and of a shorter duration than with PEG-Intron®, the standard of care used as the control arm in the trial. The Company also announced that updated results from its SELECT-1 Phase 2a trial of Locteron will be presented at the 43rd Annual Meeting of the European Association for the Study of the Liver (EASL) conference April 23-27, 2008 in Milan, Italy.

Locteron combines BLX-883, a recombinant interferon alfa produced in Biolex's proprietary LEX SystemSM, with PolyActiveTM, an advanced controlled-release drug delivery technology developed by the Company's co-development partner OctoPlus N.V. Locteron is designed to allow 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 burst effect that is typically observed with currently marketed pegylated interferons such as PEG-Intron and Pegasys® and newer interferon product candidates under development.

Phase 1 Publication

The Phase 1 results were reported in the *Journal of Interferon & Cytokine Research* under the title "Novel Controlled-Release *Lemna*-Derived IFN- α 2b (Locteron): Pharmacokinetics, Pharmacodynamics, and Tolerability in a Phase 1 Clinical Trial" (28:113-122 (2008)). The Phase 1 trial was a randomized, double-blind, placebo-controlled trial of Locteron in 27 healthy volunteers. Twelve of the participants were divided among three different dose cohorts of Locteron (20 μ g, 80 μ g or 320 μ g). Six participants were included in the PEG-Intron control cohort (80 μ g per subject), and the remainder were included in cohorts that were administered either a placebo or the PolyActive vehicle.

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The pharmacokinetic results demonstrated that the administration of Locteron resulted in the release of interferon alfa over a two-week period, and pharmacodynamic results indicated that the drug was biologically active for more than a two-week period, supporting the once-every-two-week dosing regimen for the drug candidate. Specifically, the Phase 1 trial measured biomarkers such as 2', 5' oligoadenylate synthetase, an enzyme commonly associated with the biological effects of interferon alfa. The administration of Locteron resulted in biomarker levels for the 320 µg dose cohort that were greater than those measured in the PEG-Intron arm of the trial and that were sustained for more than two weeks. The pharmacokinetic results also indicated that the administration of Locteron resulted in a gradual release of native interferon without the high initial blood concentration levels associated with current products.

Flu-like symptoms among the groups receiving Locteron in the Phase 1 trial were reported to be fewer and less severe and of shorter duration than in the subjects receiving PEG-Intron. For the subjects in the 320 µg dose cohort of Locteron, the median duration of flu-like illness was 17 hours compared to 41 hours in the PEG-Intron group. No flu-like illness was reported in the two lower-dose Locteron groups.

Phase 2a Results

Subsequent to completion of the Phase 1 trial reported above, Locteron was evaluated in the SELECT-1 Phase 2a trial conducted in 32 treatment-naïve chronic hepatitis C patients with the genotype-1 variant of the virus. Selected results from the Phase 2a trial were presented November 6, 2007 at the 58th Annual Meeting of the American Association for the Study of Liver Diseases (AASLD) conference. SELECT-1 evaluated four doses of Locteron, 160, 320, 480 and 640 µg, administered once every two weeks in combination with the antiviral drug ribavirin.

A statistically significant dose response was observed in the SELECT-1 trial and treatment with the three highest doses of Locteron resulted in a strong anti-viral response. Specifically, the combination of Locteron and ribavirin resulted in an early virologic response (EVR) in 88% of the patients treated with the 320 µg dose and in 100% of the patients treated with each of the 480 and 640 µg doses. 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 *Albupheron*®, a product candidate currently under development.

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

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designed to provide superior efficacy/tolerability profiles and to address large, proven pharmaceutical markets. Biolex's lead product candidate, Locteron®, under joint development with OctoPlus N.V., is in Phase 2 clinical trials and is the only controlled-release interferon alfa currently in 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 optimized anti-CD20 antibody it is developing for the treatment of non-Hodgkin's B-cell lymphoma and other diseases.

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