

FOR IMMEDIATE RELEASE

BIOLEX THERAPEUTICS COMPLETES \$60 MILLION SERIES D FINANCING TO ACCELERATE DEVELOPMENT OF LOCTERON® IN HEPATITIS C

- Financing Led by Clarus Ventures -

PITTSBORO, NORTH CAROLINA, October 6, 2008 - Biolex Therapeutics, Inc. announced the closing of a \$60 million Series D financing led by Clarus Ventures, a leading biotechnology investor, with OrbiMed Advisors participating as a new investor. Existing investors participating in the financing included Intersouth Partners, Quaker BioVentures, Johnson & Johnson Development Corporation, Investor Growth Capital, Polaris Ventures, Mitsui & Company, The Dow Chemical Company, JP Morgan Securities and the North Carolina Economic Development Fund.

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 Company's lead drug candidate is Locteron, a controlled-release interferon alfa designed to improve patient care in the treatment of hepatitis C through a more favorable side-effect profile and dosing convenience compared to existing pegylated interferon products. It is estimated that worldwide sales of interferon products for the treatment of hepatitis C will exceed \$5 billion by 2014.

"This financing is designed to prepare Locteron for Phase 3 development, including the completion of ongoing and planned Phase 2 testing," said Mr. Jan Turek, Biolex's Chief Executive Officer. "We are pleased to have firms of the caliber of Clarus and OrbiMed join our existing group of high-quality investors, an investment team that has been instrumental in supporting and guiding the advancement of Biolex."

The Company also announced that Jeffrey Leiden, M.D., PhD., Managing Director of Clarus Ventures, and Klaus Veitinger, M.D., Venture Partner with OrbiMed Advisors, have joined Biolex's Board of Directors. Dr. Leiden has more than 20 years of experience in the biomedical and pharmaceutical sectors. Dr. Leiden was previously President and COO of Abbott Laboratories, Pharmaceuticals Products Group, and a member of the Abbott Board of Directors and the TAP Board of Directors. Previously, Dr. Veitinger was a Member of the Executive Board of Schwarz Pharma AG and the Chief Executive Officer of Schwarz Pharma Inc. where he was responsible for the U.S. and Asia businesses.

- more -



158 Credle Street
Pittsboro, NC 27312
www.biolex.com

tel 919.542.9901
fax 919.542.9910

“Clarus is pleased to lead the Series D investment in Biolex,” said Dr. Jeffrey Leiden of Clarus Ventures. “Locteron is a potential best-in-class product in a large and growing market. A once-every-two-week interferon alfa that is better tolerated would represent an important advance for patients suffering from hepatitis C infection. The outstanding management team at Biolex is well positioned to accelerate the clinical development of Locteron over the next 18 months.”

About Locteron

In contrast to Locteron’s controlled-release mechanism, the currently approved products, Pegasys® and PEG-Intron®, and the Albuferon® product candidate currently under development each are immediate release products that lack a controlled-release mechanism. Interferon alfa serves as the foundation of current combination therapy for hepatitis C patients, and all major hepatitis C drug candidates currently in clinical trials are being studied in combination with interferon alfa.

Locteron combines BLX-883, a recombinant interferon alfa produced by Biolex in its patented LEX SystemSM, with PolyActive®, an advanced controlled-release drug delivery technology developed by OctoPlus. 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 reduce 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. Locteron is currently in Phase 2 clinical testing.

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, Locteron®, is in Phase 2 clinical testing 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.

- more -



About Clarus Ventures

Clarus Ventures is a life sciences venture capital firm founded by a team of accomplished investment professionals with extensive and complementary industry backgrounds which have enabled them to establish a long history of success in creating value. Their deep relationships with world thought leaders and decision makers allow this team to identify unique investment opportunities and shepherd them to maturity. Clarus augments its core expertise of investing in biopharmaceuticals and medical technology companies with the deep and diverse expertise of the team in research and development, commercialization, business development and operations management at the global level. Clarus is based in Cambridge, MA and San Francisco, CA and presently manages over \$1.2 billion across two life-sciences dedicated funds.

About OrbiMed Advisors, LLC

OrbiMed is the world's largest life sciences and healthcare-dedicated investment firm, with approximately \$5 billion in assets under management. Since inception of its private equity investment activities in 1993, OrbiMed has successfully invested in close to 100 companies across a wide range of therapeutic categories and stages of development. OrbiMed's investment team includes approximately 30 experienced professionals with backgrounds in science, medicine, industry, finance and law. OrbiMed's professionals work together using a collaborative, team-oriented approach to support our portfolio companies, which has earned OrbiMed a reputation as a capital provider of choice for life sciences companies of all stages. OrbiMed has established the first pan-Asia life sciences-dedicated venture capital fund and has opened offices in Shanghai and Mumbai. For more information, visit www.OrbiMed.com.

###

Contacts:

Media: Michelle Linn, Linnden Communications, 508-362-3087, michelle@linndencom.com, or Joan Kureczka, 415-821-2413, jkureczka@comcast.net.

Investors: Dale Sander, Chief Financial Officer, 858-663-6993, dsander@biolex.com

