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AETERNA ZENTARIS INC. 1405 du Parc-Technologique Blvd.
Quebec (Quebec) Canada G1P 4P5 T 418 652-8525 F 418 652-0881
www.aeternazentaris.com

PRESS RELEASE
For immediate release

AETERNA ZENTARIS ENTERS INTO A LICENSE AND COLLABORATION AGREEMENT WITH TULANE UNIVERSITY FOR A NOVEL CLASS OF POTENTIAL ANTI-CANCER AGENTS - GROWTH HORMONE RELEASING HORMONE ANTAGONISTS

QUEBEC CITY, CANADA, OCTOBER 27, 2004 -AETerna Zentaris Inc. (TSX: AEZ; NASDAQ: AEZS) today announced that it has entered into a license and collaboration agreement with Tulane University, in New Orleans, for the development of Growth Hormone Releasing Hormone (GH-RH) antagonists, a novel class of potential anti-cancer agents.

Under the terms of the agreement, AETerna Zentaris obtained worldwide, exclusive rights to develop and commercialize GH-RH antagonists for all potential indications, including cancer and endocrine disorders, in exchange for research funding, an upfront fee and milestone payments, in addition to royalties on future sales.

GH-RH antagonists represent a potential novel class of promising anti-cancer agents that may offer distinct advantages as compared to other classes of anti-tumor agents, with utility in a variety of tumor types. In addition to their ability to exert both direct (by blocking GH-RH receptors on tumor cells) and indirect (by blocking the secretion of GH from the pituitary and thereby suppressing the production of IGF-I in the liver) anti-proliferative effect, GH-RH antagonists should offer a favorable safety profile, including lack of side effects associated with traditional chemotherapeutic agents.

"We are very pleased to continue our extremely successful cooperation with Prof. Andrew V. Schally and his group at Tulane University with this exciting new approach for the treatment of cancer and other endocrine diseases," said Prof. Jurgen Engel, Executive Vice President, Global R&D and Chief Operating Officer at AETerna Zentaris.

"We are very excited to enter this collaboration with AETerna Zentaris," said Prof. Andrew V. Schally, Professor of Medicine and Head, Section of Experimental Medicine at Tulane University. "GH-RH antagonists, in which our group has a wide lead, are most promising for the therapy of a variety of tumors and may offer distinct advantages over other classes of prospective anti-tumor agents, including lack of severe side effects typical of chemotherapy."

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"The addition of GH-RH antagonists, which may offer broad therapeutic utility as anti-cancer agents and endocrine therapy, represents an important step in our continued effort on building a strategic portfolio in oncology and endocrinology, our current areas of focus," concluded Mr. Gilles Gagnon, President and Chief Executive Officer of Aeterna Zentaris.

GH-RH is a hormone secreted in the brain by the hypothalamus that acts on the pituitary gland to stimulate the synthesis and the release of growth hormone (GH). Many tumor types are potentially dependent on levels of GH and insulin-like growth factors, IGF-I and IGF-II, which stimulate cell proliferation while inhibiting programmed cell death (apoptosis).

Initial, early evidence for the anti-tumor activity of GH-RH antagonists was provided by research conducted at Tulane University, which demonstrated that GH-RH antagonists inhibit the growth of a broad range of cancer cell lines, including pancreatic, colorectal, prostate, breast, renal, small-cell/non small-cell lung cancer, osteosarcoma and glioblastoma. Importantly, GH-RH antagonists were shown to have a direct anti-proliferative effect IN VITRO on certain cancer cell types, an action that is thought to be mediated by the presence of locally-produced GH-RH, which may act as an autocrine growth factor, and its receptors in the respective cancer cell lines. GH-RH antagonists also inhibit indirectly the production of IGF-I and IGF-II in tumors.

ABOUT AETERNA ZENTARIS INC.

Aeterna Zentaris Inc. is a biopharmaceutical company focused in oncology and endocrine therapy. Its extensive portfolio, from drug discovery to marketed products, includes perifosine, an orally-active AKT inhibitor in several Phase II trials for multiple cancers, and cetrorelix, an LHRH antagonist already marketed for IN VITRO fertilization under the brand name Cetrotide(R), and also in advanced clinical development for the treatment of uterine myoma, endometriosis and benign prostatic hyperplasia (BPH).

Aeterna Zentaris also owns 60% of Atrium Biotechnologies Inc., which develops, manufactures and markets active ingredients, specialty fine chemicals, cosmetic and nutritional products for the cosmetics, chemical, pharmaceutical and nutritional industries.

News releases and additional information about Aeterna Zentaris are available on its new Web site www.aeternazentaris.com.

FORWARD-LOOKING STATEMENTS

This press release contains forward-looking statements made pursuant to the safe harbor provisions of the U.S. Securities Litigation Reform Act of 1995. Forward-looking statements involve known and unknown risks and uncertainties, which could cause the Company's actual results to differ materially from those in the forward-looking statements. Such risks and uncertainties include, among others, the availability of funds and resources to pursue R&D projects, the successful and timely completion of clinical studies, the ability of the Company to take advantage of business opportunities in the pharmaceutical industry, uncertainties related to the regulatory process and general changes in economic conditions. Investors should consult the Company's quarterly and annual filings with the Canadian and U.S. securities commissions for additional information on risks and uncertainties relating to the forward-looking statements.

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Investors are cautioned not to rely on these forward-looking statements. The Company does not undertake to update these forward-looking statements.

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CONTACTS:

MEDIA RELATIONS

Paul Burroughs
(418) 652-8525 ext. 406
paul.burroughs@aeternazentaris.com

INVESTOR RELATIONS

Jacques Raymond
(418) 652-8525 ext. 360
jacques.raymond@aeternazentaris.com

U.S. INVESTOR RELATIONS

Lippert/Heilshorn & Associates
Kim Golodetz
(212) 838-3777
kgolodetz@lhai.com

EUROPE

Matthias Seeber
+49 69 42602 3425
matthias.seeber@zentaris.de

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

AETERNA ZENTARIS INC.

Date: October 27, 2004

By: /s/ Mario Paradis

Mario Paradis
Senior Finance Director and
Corporate Secretary