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Epichem in Drug Royalty Deal with Murdoch University

PharmAust Ltd (ASX: PAA) is pleased to announce that wholly owned subsidiary, Epichem Pty Ltd, in collaboration with an international pharmaceutical group and Murdoch University, has discovered several anti-parasitic drug compounds and will receive a royalty from any future commercialisation.

The project has recently resulted in a provisional patent being filed by Murdoch University from which Epichem will receive a 12% royalty on net revenues resulting from any commercial drugs resulting from the intellectual property. It is anticipated that an additional patent will be filed within the next 12 months to cover Epichem's latest and most promising class of antiparasitic compounds.

A number of novel compounds have been discovered that have activity against a variety of parasites including *trypanosomes*, *Leishmania* and *cryptosporidium*, for which there are currently no safe and effective treatments.

Epichem's latest compounds for the treatment of *trypanosomes*, which causes the potentially fatal African Sleeping Sickness and Chagas disease, continue to show excellent in vitro activity.

African Sleeping Sickness is caused by a parasite which is carried by the tsetse fly. 40,000 new cases of African Sleeping Sickness are reported each year, but it is likely there are more than 100,000 cases that go unreported. Chagas disease is found across South America and causes death in more than 30% of cases.

Epichem is also currently researching a treatment for Leishmaniasis, a serious parasitic disease found in the Americas, Europe and Asia which affects two million people each year.

In addition, collaborative studies have also recently confirmed a novel class of compounds which have potent activity against *cryptosporidium*, an infectious water-borne organism. Found in drinking water supplies and river systems, *Cryptosporidium* causes an infectious diarrhoea illness in humans and can cause death in severe infections.

Epichem Director, Dr Wayne Best said: "A number of these compounds are currently being progressed, with one lead compound already having passed the Ames test with no signs of mutagenicity.

The Ames test is a key indicator of a compound's genotoxicity and is a critical step in the development of any new drug candidate.

Epichem Expands to Melbourne

Epichem recently expanded its business into the Eastern States by opening a Melbourne branch within the grounds of recent PharmAust acquisition, Mimotopes.

Dr Best said: "Melbourne is the heart of the biotechnology and drug discovery industry in Australia and having a presence there will provide greater market penetration and has already led to some additional contracts.

"This expansion is a landmark for Epichem and an important step in the Company's growth strategy.

Epichem at BIO2005 Conference

Epichem and fellow PharmAust subsidiary Mimotopes will be represented at the BIO2005 conference next month. The BIO2005 conference is held annually and is the premier global biotech industry event. This year's conference will be held in Philadelphia, USA.

Epichem will also be sharing a booth at the Conference's exhibition courtesy of a West Australian State Government subsidy scheme.

Dr Best said: "Attending this Conference will enable Epichem representatives to access excellent international networks and to meet with existing and potential clients."

About Epichem

Epichem Pty Ltd is a wholly owned subsidiary of PharmAust Limited with branches in Perth and Melbourne. Epichem provides synthetic and medicinal chemistry services to the international and national drug discovery and pharmaceutical industries

Epichem's state-of-the-art laboratories are among the best-equipped facilities for the synthesis of new drug analogues in the Southern Hemisphere. Since opening in February 2004, Epichem has rapidly expanded and is now undertaking contract work for some of the world's largest pharmaceutical companies. Epichem is also generating its own intellectual property through collaborative research programs.

About PharmAust Limited

PharmAust Limited is a unique vertically integrated pharmaceutical business involved in a range of activities from contract drug discovery and development to manufacturing, sales and marketing of healthcare & pharmaceutical products.

PharmAust Limited wholly owns three subsidiary companies:

- Epichem Pty Ltd
- PharmAust Manufacturing Pty Ltd
- Mimotopes Pty Ltd

Further Comment:

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