



19 August, 2008

The Manager  
Company Announcements  
Australian Stock Exchange Limited  
*Via Electronic Lodgement*

Dear Sir/Madam

### **Epichem secures largest single contract to date**

PharmAust (ASX:PAA) is pleased to announce that its wholly owned subsidiary, Epichem Pty Ltd, has signed a significant new contract with Swiss-based Drugs for Neglected Diseases *initiative* (DND<sup>i</sup>).

The contract, worth close to \$3 million over three years, will see Epichem provide the synthetic and medicinal chemistry component for DND<sup>i</sup>'s recently established consortium to discover and develop new drugs for the treatment of Chagas disease. Epichem has a strong commitment to neglected diseases and has been working in collaboration with parasitologists at Murdoch University for several years to find a cure for a closely related disease, African Sleeping Sickness.

Endemic in 21 countries in Central and South America, from Mexico to Chile, Chagas disease threatens 25 percent of the population living in the region and kills 50,000 patients every year. This parasitic disease is estimated to currently afflict eight million people, including in Australia where estimates in 2005-2006 indicate that 16 of every 1000 Latin American immigrants (16 per 1000) carry the parasite in their blood.

"This is further evidence that Epichem is successfully competing in the global market for major projects," said Epichem's Managing Director, Dr Wayne Best.

Epichem continues to expand its client base and has now exported products and services to clients in the USA, Canada, Mexico, Puerto Rico, Columbia, Brazil, South Africa, India, The Netherlands, France, and Switzerland. In addition, Epichem has recently received its first order from a client in Japan.

Two additional chemists have been employed in the last two months and laboratory facilities are set to expand to cope with the increased demand.

Epichem is focused on generating a profit for shareholders through its fee-for-service contract work, whilst continuing to generate potentially valuable intellectual property through its in-house and collaborative research projects.

## **DNDi**

The Drugs for Neglected Diseases *initiative* (DNDi) is an independent, not-for-profit product development partnership working to research and develop new and improved treatments for neglected diseases such as malaria, leishmaniasis, human African trypanosomiasis, and Chagas disease. With the objective to address unmet patient needs for these diseases, DNDi was established in 2003 by Institut Pasteur and Médecins Sans Frontières (MSF) along with four publicly-funded research organizations in the neglected disease-endemic countries of Brazil, India, Kenya, and Malaysia . Working in partnership with industry and academia, DNDi has the largest ever R&D portfolio for the kinetoplastid diseases and currently has 2 post-registration, 5 clinical and 4 preclinical projects, along with a spectrum of concerted discovery efforts. In the past 18 months, DNDi has successfully launched two new malaria treatments and has also received funding from a variety of private and public sources including the Bill & Melinda Gates Foundation as well as the governments of France, Spain, and the United States.

More information can be found at [www.dndi.org](http://www.dndi.org).

Yours sincerely,



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