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The Company Announcements Platform
ASX Ltd
Sydney NSW 2000

Allowance of New European Patent Further Broadens Phylogica's Ownership of the Phylomer peptide drug class

- Major Patent Milestone Achieved for Phylomer Peptide Libraries
- Consolidates Phylogica's dominance over the novel Phylomer peptide class
- Currently Phylogica has constructed libraries containing billions of distinct Phylomers from thousands of structural families
- This new patent establishes ownership of Phylomer libraries which can encode trillions of distinct compounds from a plethora of biodiverse sources
- The ownership extends beyond methods of constructing and screening Phylomer libraries, to include composition-of-matter on the libraries themselves
- All formalities following allowance have now been completed and the patent is expected to proceed to grant in the near future

The recent allowance of Phylogica's European Patent 06003767.8 (Publication No 1696038) has established even wider ownership of the Phylomer peptide class. The broadest granted independent claim covers the use of any combination of compact sequenced genomes from both Eukaryotes (like fungi, protozoa and higher organisms such as the Japanese puffer fish) or Prokaryotes (including bacteria or archaea), regardless of their origin. There is also no restriction to the size of genomic fragments required to construct Phylomer libraries.

Phylomer peptides belong to the fastest growing class of drugs, biologics (which include peptides, antibodies and other proteins). Phylomer libraries offer impressive hit rates with an increased quality as well as quantity of primary hits over random peptide libraries. This is likely due to the fact that Phylomer libraries constitute the most structurally diverse libraries available for the discovery of biologics, with billions of distinct peptides derived from thousands of distinct structural families.

About Phylomers

Phylomer[®] peptides are derived from biodiverse[®] natural sequences which have been selected by evolution to form stable structures which can bind tightly and specifically to

disease associated target proteins. Suitable targets for Phylomer[®] blockade include protein interactions that promote multiple diseases, such as infections, cancer, autoimmunity and heart disease. Phylomer[®] peptides can have drug-like properties including specificity, potency and thermal stability, and are capable of being produced by synthetic or recombinant manufacturing processes. Phylomer[®] peptides are also readily formulated for administration by a number of means, including parenteral or intranasal delivery. Phylogica has recently initiated a collaboration with Aegis Therapeutics LLC (www.aeglsthera.com) to develop the delivery of Phylomer[®] peptides by their formulation using Intravall[®] for transmucosal delivery.

About Phylogica (www.phylogica.com)

Phylogica is a biopharmaceutical company focusing on the discovery, development and commercialization of Phylomer[®] peptides, especially for inflammatory diseases. Phylogica engages in the discovery and validation of Phylomer[®] peptides for the development of innovative therapeutic products, through relationships with commercial partners and its in house drug discovery programmes. Phylogica's discovery platform uses its proprietary Phylomer[®] libraries, a highly diverse and complex collection of billions of Phylomer[®] peptides, to provide a rich source of potent drug leads for a broad range of disease targets. Over the past few years, Phylogica has gained significant leverage in the area of peptide drug discovery by establishing proprietary rights for their Phylomer[®] libraries and screening methods which when combined with Phylogica's significant know-how in the field of drug discovery, constitutes a powerful drug discovery platform, which offers the highest hit-rates for bioactive peptides.

Phylogica[®] and Phylomer[®] are registered service marks of the company in Australia and USA, and Phylomer[®] is also a registered goods mark of the company in Australia.

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