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ASX Ltd  
Sydney NSW 2000

Wednesday August 18<sup>th</sup>, 2010

### **Press Release Phylogica Ltd (ASX PYC)**

#### **Phylogica to Pursue Antimicrobial Peptide Discovery Through Licensing Agreement with MedImmune**

PERTH, AUSTRALIA -- Phylogica Ltd (ASX: PYC, XETRA: PH7), a public Australian drug discovery company, announced today that they have entered into an agreement with MedImmune to evaluate Phylogica's proprietary Phylomer® peptide library for novel antimicrobial peptides. The agreement between MedImmune, the worldwide biologics unit of AstraZeneca PLC, and Phylogica establishes a plan for collaborative discovery between the companies, with potential development and commercialization of resulting novel antibiotics by MedImmune.

The discovery efforts will utilise Phylogica's proprietary Phylomer® peptide libraries and high-throughput screening capabilities to identify drug candidates with potent activity against the gram-negative bacterium, *Pseudomonas aeruginosa*. This highly prevalent, opportunistic pathogen is one of the most common causes of hospital-acquired infections, which can be life-threatening for patients with pneumonia or cystic fibrosis.

Under the terms of the agreement, Phylogica will receive an upfront payment of US\$750k and an additional US\$750k in committed research funding for an initial 12-month term. In addition, Phylogica is eligible to receive development, regulatory and commercial milestone payments of up to US\$98 million, in addition to royalties on potential worldwide sales.

Dr Paul Watt, the founder and CEO of Phylogica said "We are excited to be working with MedImmune, a world leader in the successful development of novel biological drugs to treat infectious diseases. This alliance underscores the versatility and substantial opportunity of Phylomer peptides, which have potent activity on challenging targets such as found in multi-drug resistant bacteria."

Existing rights to Phylogica's internal program of antimicrobial Phylomer peptides directed against multi-resistant bacteria are retained by the company under this agreement.



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**About Phylogica ([www.phylogica.com](http://www.phylogica.com))**

Phylogica is a biopharmaceutical company focusing on the discovery of Phylomer<sup>®</sup> peptides for its partners from the Pharmaceutical industry. Phylogica's discovery platform uses its proprietary Phylomer<sup>®</sup> libraries, a highly diverse collection of billions of Phylomer<sup>®</sup> peptides from across thousands of structural families, to provide a rich source of potent drug leads for a broad range of disease targets. Phylogica has gained significant leverage in the area of peptide drug discovery by establishing proprietary global rights for the Phylomer<sup>®</sup> libraries which are the most structurally diverse source of peptides available. These libraries when combined with Phylogica's proprietary screening methods and significant know-how in the field of peptide drug discovery constitute a powerful drug discovery platform, which offers the highest hit-rates for bioactive peptides as well as the highest quality of primary hits. Phylomer<sup>®</sup> peptides can access targets both outside and inside cells. In December 2010, Phylogica entered into an alliance with Roche to discover new sequences for intracellular targeting of biologicals

**About Phylomers**

Phylomer<sup>®</sup> 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<sup>®</sup> blockade include protein interactions that promote multiple disease, such as infectious diseases, cancer, autoimmunity, and heart disease. Phylomer<sup>®</sup> 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<sup>®</sup> 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.aegisthera.com](http://www.aegisthera.com)), to develop the delivery of Phylomer<sup>®</sup> peptides

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by their formulation using Intravail<sup>®</sup> for transmucosal delivery

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