

ANNOUNCEMENT

Additional Investment in Vegenics Limited

19 January 2007

Circadian Technologies Limited (ASX: CIR) today announced that it has subscribed for a further \$8m in equity in Vegenics Limited, with the purchase of an additional 40m shares at 20 cents each, increasing its holding from 57.9% to 65.2%. The additional equity will bring Vegenics' cash resources to \$11.8m which places it in a strong position to aggressively move forward its development pipeline.

This \$8m investment forms part of the \$16m funding that Vegenics is required to achieve (either by way of an ASX listing or private equity raising) in order for the LICR/Licentia patents to be assigned to it.

Vegenics has recently engaged a number of expert consultants in the fields of clinical and regulatory affairs to build its clinical development team, and has commenced a series of development projects in Finland, Australia and the United States.

Vegenics was formed to develop and commercialise the intellectual property and technology of the global Ludwig Institute for Cancer Research (LICR) and Licentia Limited, the commercial arm of the University of Helsinki, in respect of molecules known as vascular endothelial growth factors (VEGF). The shareholders in Vegenics are Circadian, LICR and Licentia.

Vegenics is the exclusive licensee of over 35 different patent families (comprising over 160 granted patents and more than 500 pending patent applications worldwide) from LICR, Licentia and Cogenesys Inc, covering VEGF C and D and their antagonists. On completion of raising of a further \$8m in funds, the LICR/Licentia patents will be assigned to Vegenics.

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About Circadian Technologies

Circadian Technologies Limited (ASX: CIR) was listed on the Australian Stock Exchange in 1985 and provides management and funding for the development and commercialisation of Australian biomedical research. It aims to identify high potential scientific research projects from within Australian universities and research institutes, focussing on opportunities that have the potential to address large markets or significant unmet medical needs. Circadian is able to provide funds for further project development, in addition to providing the management expertise that is essential if the project is to meet its goal of commercialisation.

Circadian has shareholdings in Optiscan Imaging Limited, Metabolic Pharmaceuticals Limited and Antisense Therapeutics Limited, companies in which Circadian has been involved in providing management, funding and assistance in their listing. Circadian is also the largest shareholder in Avexa Limited, an Australian pharmaceutical research and development company

In addition to retaining shareholdings in these companies, Circadian maintains an active research and development program. Its core neurosciences research projects aim to develop a new treatment specifically for Alzheimer's disease, to develop novel compounds based on Paracetamol, to develop a family of new analgesics and to develop compounds with potential for enhancing memory. In addition to its investment in Vegenics, its core cancer project portfolio includes a genomics based technology for identification of the primary source of cancers, a novel technology for identification of cancer markers, and the development of peptide based cancer vaccines. In addition, Circadian has an extensive patent portfolio in an emerging technology in gene testing (known as in situ hybridisation) and recently announced a collaboration with Monash University in respect of the development of a method of replacing internal molecular linkages known as disulphide bonds with more stable carbon bonds, in a highly specific fashion.

About LICR

The Ludwig Institute for Cancer Research is a global non-profit organization committed to improving the understanding and control of cancer through integrated laboratory and clinical discovery employing over 800 scientists in Branches throughout North and South America, Europe and Australia. Leveraging its worldwide network of investigators and the ability to sponsor and conduct its own clinical trials, LICR is actively engaged in translating its discoveries into applications for human benefit.

About Licentia

Licentia Limited commercialises technologies with IP protection originating from Finnish research institutes and universities, either through licensing or start-up companies. Since its establishment in 2001, Licentia has concluded over 70 licence and related contracts, which have generated income in millions of euros to universities and inventors.