

ANNOUNCEMENT

CIRCADIAN ANNOUNCES AWARD OF GRANT FOR CONOTOXIN DEVELOPMENT

11 October 2006

The Australian Research Council today announced the award of a Linkage Grant to a research team based at Monash University. Circadian's wholly owned subsidiary, Polychip Pharmaceuticals Pty Ltd (Polychip), is the industry partner in the successful grant to the University of \$280,000 spread over two years.

The research team, Dr Andrea Robinson from Monash and Prof Bruce Livett from the University of Melbourne, is working to develop new stable peptides based on conotoxins for the treatment of pain. The project is jointly owned by Monash and Polychip.

Peptides are small protein molecules, including such commonly known substances such as insulin, growth hormone and the conotoxins. Increasingly, peptides are being developed as therapeutic agents, as they are easier and cheaper to manufacture than compounds such as antibodies, while potentially retaining good specificity for the target. However, the use of native peptides as therapeutic agents is limited by issues related to the stability of the peptide after administration..

Dr Robinson's team has developed a novel technology for the generation of stable peptides, with potential application across a broad range of therapeutic agents. Her technology is based on a method for replacing internal molecular linkages known as disulphide bonds with more stable carbon bonds, in a highly specific fashion.

Prof Livett is a leading Australian researcher in the use of conotoxins, small peptides extracted from the venom of cone shells, in the treatment of pain.

The Linkage program is administered by the Australian Research Council, and is aimed at fostering research partnerships within the Australian innovation system and capturing the economic, social and cultural benefits of research. It is a competitive program which seeks to encourage excellence in collaborative research.

The award of the grant underscores the significant involvement of Circadian in development of new peptide therapeutics. In addition to this dicarba analogues project, our work in the field includes:

- the development of stable peptide based cancer vaccines, in collaboration with Monash University and the University of Melbourne
- the development of peptides to inhibit the action of the VEGF's for cancer treatment, in collaboration with the Ludwig Institute for Cancer Research, through Circadian's 57.9% owned company, Vegenics Limited.

Further information:

Graeme Kaufman
+61 3 9826 0399

ABOUT CIRCADIAN TECHNOLOGIES LIMITED

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 Zenyth Therapeutics Limited, an Australian pharmaceutical research company, and the largest shareholder in Avexa Limited.

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 respect of its core cancer projects it recently announced the formation of Vegenics Limited a collaboration with Ludwig Institute for Cancer Research and Licentia Ltd to develop antagonists of VEGF-C and/or VEGF-D as therapeutic agents, initially as anti-tumour agents. Other cancer related projects include a genomics based technology for identification of the primary source of cancers, a novel technology for identification of cancer markers, and an ongoing project with Monash and Melbourne Universities developing 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 for making improved peptide therapeutics.