

12 January 2007

The Companies Section
The Australian Stock Exchange Limited
530 Collins Street
MELBOURNE VIC 3000

Dear Sir/Madam

Change in Substantial Holding for Metabolic Pharmaceuticals Limited - Update

We enclose Form 604 "Notice of Change of Interests of Substantial Holder" by Polychip Pharmaceuticals Pty Ltd (Polychip), a wholly owned subsidiary of Circadian Technologies Limited.

Polychip has not changed its shareholding in Metabolic Pharmaceuticals Pty Ltd since 29 November 2006, however its interest in that company has been diluted due to the issue of a total of 15,548,062 fully paid ordinary shares by Metabolic in a share placement to institutional shareholders and sophisticated investors and due to the exercise of unquoted options and performance rights. Accordingly, Polychip's interest in Metabolic has reduced from 12.66% to 12.0%.

Yours sincerely

Natalie Korchev
Company Secretary

FORM 604

Corporations Act 2001
Section 671B

NOTICE OF CHANGE OF INTERESTS OF SUBSTANTIAL HOLDER

To: **METABOLIC PHARMACEUTICALS LIMITED (“Metabolic”)**

ACN: **083 866 862**

1. Details of substantial holder (1)

Name: **POLYCHIP PHARMACEUTICALS PTY LTD (A WHOLLY OWNED
SUBSIDIARY OF CIRCADIAN TECHNOLOGIES LIMITED) (“Polychip”)**

ACN: **006 455 456**

There was a change in the interests
of the substantial holder on **14/12/06 to 11/1/07**

The previous notice was
given to the company on **30/11/06**

The previous notice was dated **30/11/06**

2. Previous and present voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in when last required, and when now required, to give a substantial holding notice to the company or scheme, are as follows:

Class of securities (4)	Previous notice *		Present notice	
	Person's votes	Voting power (5)	Person's votes	Voting power (5)
Ordinary	36,012,701	12.66%	36,012,701	12.00%

3. Changes in relevant interests

Particulars of each change in, or change in the nature of, a relevant interest of the substantial holder or an associate in voting securities of the company or scheme, since the substantial holder was last required to give a substantial holding notice to the company or scheme are as follows:

Date of change	Person whose relevant interest changed	Nature of change (6)	Consideration given in relation to change (7)	Class and number of securities affected	Person's votes affected (no. of shares)
6/12/06 to 14/12/06, 21/12/06 10/1/07 11/1/07	Polychip Pharmaceuticals P/L	Issue of a total of 964,729 shares by Metabolic on exercise of unquoted options and performance rights. *	N/A	Number of ordinary shares not affected.	Number of votes/shares not affected.
15/12/06	Polychip Pharmaceuticals P/L	Issue of 14,583,333 ordinary shares by Metabolic in a share placement to institutional shareholders and sophisticated investors. *	N/A	Number of ordinary shares not affected.	Number of votes/shares not affected.

* The above share issues have resulted in Polychip's percentage interest in Metabolic being diluted. Polychip did not purchase or sell any Metabolic shares.

4. Present relevant interests

Particulars of each relevant interest of the substantial holder in voting securities after the change are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Nature of relevant interest (6)	Class and number of securities	Person's votes
Polychip Pharmaceuticals Pty Ltd	Polychip Pharmaceuticals Pty Ltd	Polychip Pharmaceuticals Pty Ltd	Beneficial Owner	Ordinary 36,012,701	36,012,701

5. Changes in association

The persons who have become associates (2) of, ceased to be associates of, or have changed the nature of their association (9) with, the substantial holder in relation to voting interests in the company or scheme are as follows:

Name and ACN (if applicable)	Nature of association
Not applicable	

6. Addresses

The addresses of persons named in this form are as follows:

Name	Address (Registered Office)
Polychip Pharmaceuticals Pty Ltd	Rialto Towers, Level 23, 525 Collins Street, Melbourne
Circadian Technologies Limited	Rialto Towers, Level 23, 525 Collins Street, Melbourne

Signed by:

Natalie Korchev
Company Secretary
12/1/2007