

ASX ANNOUNCEMENT: 14 October 2010**CEO on FY11 LAM Diagnostic
Partnership**

Open Briefing with CEO & MD Robert Klupacs

Circadian Technologies Limited
Level 1, 10 Wallace Avenue
Toorak, Victoria 3142**In this Open Briefing[®], CEO & MD Robert Klupacs discusses**

- Partnership with Cincinnati Children's Hospital Medical Centre for LAM diagnostic test
- Expects market of 50,000 to 100,000 tests per annum
- Early source of revenue to support therapeutics programs

Open Briefing interview:**openbriefing.com**

Circadian Technologies (ASX.CIR) has partnered with Cincinnati Children's Hospital Medical Centre (CCHMC) to develop and market a blood test for the lung disease lymphangioleiomyomatosis (LAM) using vascular endothelial growth factor D (VEGF-D). How does the partnership fit with Circadian's VEGF-D development strategy?

CEO & MD Robert Klupacs

Our intellectual property portfolio has a wide range of possible development opportunities in therapeutic and diagnostic settings. The diagnostic link between VEGF-D and LAM, published in September 2010 by the University of Cincinnati, creates another important opportunity for us.

While the diagnostic applications of the test provide commercial and clinical benefits, the availability of the diagnostic opens up the possibility of developing a potential therapeutic option for LAM utilising our VEGF-D antibodies.

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What is involved in developing a diagnostic test and gaining regulatory approval for its sale? How will the development of the LAM diagnostic be funded?

CEO & MD Robert Klupacs

CCHMC is a registered laboratory under the Clinical Laboratory Improvement Amendments (CLIA) program administered by the US Department of Health and Human

Services. Under CLIA, the LAM diagnostic will be categorised as a waived test, which means that in the US, the test can be made available fairly quickly. Ultimately we will seek US Food and Drug Administration (FDA) approval for the test.

The CCHMC has the capability and resources to develop the LAM diagnostic internally. It is expected to recoup its investment through sales revenue from the test. Circadian will receive royalties from these sales.

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What is the potential size of the LAM diagnostic test market in the US and what is the expected size and timing of Circadian's revenues from the partnership in FY2011 and beyond?

CEO& MD Robert Klupacs

LAM largely affects women in their child bearing years and is currently classified as a rare disease. But, because LAM is difficult to diagnose and similar to other respiratory diseases, experts widely believe actual incidence levels are significantly under-reported. For example, up to 15,000 women in the USA may suffer from spontaneous pneumothorax (collapsed lung) which may be due to them being undiagnosed LAM sufferers.

Also, given the recently discovered link between LAM and the genetic disease Tuberous Sclerosis, we expect the market could expand to between 50,000 to 100,000 tests per annum, at a price of between US\$100 and US\$200 each. We will receive a good double digit royalty on this sales income.

It is possible that the market for the test could be higher once it becomes accepted as a tool to monitor disease progression in affected individuals or those in at-risk populations. We hope the test will become available to patients through CCHMC early in 2011.

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What are the expected opportunities and timeframes for marketing the LAM diagnostic test outside the US?

CEO& MD Robert Klupacs

The international LAM disease network is very supportive of our partnership with CCHMC. There should be opportunities for us to licence the test outside the US over the next six to 12 months, particularly once it becomes available in the US.

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Circadian recently secured a VEGF-D patent in the US for diagnostic applications and you've indicated that VEGF-D is a biomarker of cancer and other diseases. Are you proactively seeking to develop diagnostics for other diseases? What are the most promising indications and what is the potential market?

CEO& MD Robert Klupacs

We're involved in developing diagnostics for other diseases, with a number of possible collaborative opportunities available. Over the last five to 10 years a number of scientific publications have linked VEGF-D and VEGF-C, another molecule we own, with outcomes associated with cancer. Levels of VEGF-D have also been linked to the ongoing severity of the disease.

As such, there is a market for specific VEGF-D diagnostics, particularly for those enabling physicians to potentially tailor and better monitor patients undergoing certain types of cancer therapy. Given the potential savings to the healthcare system in terms of the drugs ultimately used to treat these diseases, there is potentially a large market for these tests if and when they become available.

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How do you expect diagnostic testing to complement your portfolio in the future?

CEO& MD Robert Klupacs

Developing the diagnostic opportunities of our portfolio provides a source of potentially quite significant revenue in the short to near term. It is also an important tool in identifying patients for recruitment into our clinical trials of therapeutic development programs.

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Thank you Robert.

For more information about Circadian Technologies, visit www.circadian.com.au or call Robert Klupacs on +61 3 9826 0399.

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