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PHARMAUST AWARDED FUNDING TO CONTINUE THE FIGHT TO HELP THE DEVELOPING WORLD

PharmAust Limited (ASX: PAA) is pleased to announce that wholly owned subsidiary Epichem Pty Ltd ("Epichem"), in collaboration with Murdoch University and the Centre for Drug Candidate Optimisation ("CDCO"), have been offered funding from Drugs for Neglected Diseases *initiative* ("DNDi")

The DNDi office (www.dndi.org) is based in Geneva, Switzerland, but its reach is global. It is a catalyst for drug research and development for neglected diseases, bringing together resources from public sector institutions and the pharmaceutical industry around the world.

Total project funding is for €150,000 (approximately AUS\$240,000) for the first year with the potential for a similar amount in the second year if project milestones are achieved.

Any outcomes from the project related to the treatment of parasitic diseases of humans in the developing world will be licensed to DNDi free of charge but Epichem, Murdoch University and the CDCO retain rights to commercially exploit any outcomes for drugs used in the developed world or veterinary drugs.

It is envisaged that the funds, which will be shared between the three collaborating partners, will enable Epichem's current anti-parasitic lead compounds to be progressed to a number of potential drug candidates for the treatment of trypanosome infections.

The funding is for a project entitled "**Novel, orally available drug candidates for trypanosome infections**". Trypanosome infections are parasitic diseases responsible for considerable suffering and death in both man and livestock throughout many parts of the world. They include African Sleeping Sickness and Chagas disease, which is found across South America. Chagas disease causes death in more than 30% of cases.

The Managing Director of PharmAust Dr Paul D'Sylva confirmed the significance of this grant,

"Most neglected diseases, almost exclusively affect people in developing countries and some drugs exist, but most are antiquated (some are 70 years old), toxic and becoming less effective because of resistance"

"New R&D is urgently needed to offer neglected patients a wider range of safe and effective treatments and it is indeed a great honour to be recognized as being able to assist an organization of the caliber of DNDi who's founding partners included Médecins Sans Frontières, the Oswaldo Cruz Foundation, and Institut Pasteur among others"

“The addition of the CDCO will greatly assist in taking research to the next stage through the ongoing Epichem and Murdoch University collaboration whilst also being an excellent opportunity for PharmAust to possibly make a difference on a global scale to many people, especially those in poorer regions “

Work on the project is expected to commence in early 2006 once formalities are complete and the funds released.

Dr Paul D'Sylva
Managing Director
PharmAust Limited
0410 602 586

Dr Wayne Best
Epichem Pty Ltd
0421 545 820

EPICHEM Pty Ltd
www.epichem.com.au

Epichem provides synthetic and medicinal chemistry services, primarily on a contract basis, to the drug discovery and pharmaceutical industries both in Australia and overseas. With two state of the art laboratories in Perth and Melbourne, it has some of the best equipment available for the cost effective synthesis of analogue libraries, intermediates and standards. In addition to its revenue generating contract work, Epichem also undertakes some internal and collaborative research into drug discovery.

Centre for Drug Candidate Optimisation “ CDCO “
www.cdco.com.au

Established in 2003 at Monash University in Victoria Australia, the Centre for Drug Candidate Optimisation is a unique venture that provides collaborative lead candidate optimisation in support of emerging drug discovery programs. Lead optimisation facilitates the informed identification and selection of drug candidates through an integrated assessment of their chemical, metabolic, biopharmaceutical and developmental properties. The

Drugs for Neglected Diseases Initiative (DNDi)
www.dndi.org

In 1999, recognising the paucity of effective drugs in the world's poorer regions where they worked, Médecins Sans Frontières (MSF) brought together a team of international experts to study the crisis in drug research and development (R&D) for neglected diseases. This Drugs for Neglected Diseases working group analysed the causes of the crisis, and in developing innovative strategies to ensure the development of new and affordable medicines for neglected diseases, recommended the creation of a new initiative, DNDi.

DNDi is developing drugs for neglected diseases on a not-for-profit basis, initially focusing on sleeping sickness, Chagas disease and leishmaniasis. To achieve this, it is busy building a “needs-driven” portfolio – i.e. based on the medical needs of neglected and most neglected patients rather than potential for profit; raising

awareness about the lack of R&D for neglected diseases; and using existing R&D capacity and strengthening R&D capacity in countries where these diseases are endemic.

DNDi currently has nine projects in its portfolio at different stages of development

Six Founding Partners from humanitarian, medical research and government institutions have joined forces to create DNDi:

- Médecins Sans Frontières
- Oswaldo Cruz Foundation/Fiocruz (Brazil)
- Indian Council of Medical Research (India)
- Institut Pasteur (France)
- Ministry of Health (Malaysia)
- Kenya Medical Research Institute (Kenya)

DNDi is also collaborating closely with the UNDP-World Bank-WHO Special Programme for Research and Training in Tropical Diseases (TDR), which has permanent observer status, and efforts are underway to ensure patient representation. Each partner contributes either financial support or in-kind research contributions, and represents and gathers support for DNDi interests in global settings.

The DNDi was registered as a foundation on 3 July 2003. The DNDi office is based in Geneva, Switzerland, but its reach is global.