



ASX Release

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Avexa secures CCR5 inhibitor HIV program with TargetDrug

Avexa (ASX:AVX) today announced the completion and formalisation of the licensing and collaboration agreement on a CCR5 HIV drug program with TargetDrug of Shanghai on terms as announced on 4 December 2006. Avexa and TargetDrug have already commenced the collaborative phase of the agreement aimed at the identification of new and improved clinical candidates from the program.

The agreement has three main elements. Firstly Avexa is collaborating with TargetDrug at the drug discovery level to identify new CCR5 inhibitors for the treatment of HIV infections based on compounds already discovered by TargetDrug. Secondly, Avexa has worldwide marketing rights, excluding China, to any drugs that result from this collaboration. TargetDrug retains the marketing rights in China. Thirdly, Avexa has an exclusive option to license TargetDrug's lead CCR5 inhibitor with anti-HIV activity, nifeviroc. Avexa will fund chemistry resources in China for the period of the collaboration. This should not have a major impact on Avexa's cash burn over the next 12 months.

In the event Avexa licenses nifeviroc Avexa will pay TargetDrug clinical development and sales performance milestones and royalties if the product is marketed. The terms and conditions of the agreement remain confidential.

Nifeviroc is currently in formal preclinical testing, with a number of these studies already completed. TargetDrug has recently been granted IND status for nifeviroc from the sFDA (the Chinese drug regulatory agency) with a view to commencing Phase 1 clinical trials in the near term. Nifeviroc was developed by Professor Gang Pei of the Shanghai Institute for Biological Sciences and Professor Ma Dawei of the Shanghai Institute of Organic Chemistry.

"With the recent positive results from the apricitabine (ATC) Phase 2b clinical trial, the addition of this CCR5 program strengthens Avexa's portfolio in HIV antiviral drugs," said Dr Chick, CEO of Avexa. "It also complements Avexa's other infectious disease programs which target the HIV integrase, and drug-resistant bacterial infections."

CCR5 is a protein found on the surface of some of the body's immune cells. This protein is used by CCR5-utilising HIV strains along with the primary receptor (CD4) to infect cells. Inhibition of HIV binding to CCR5 prevents the infection of human cells by HIV and so effectively halts HIV replication. While CCR5 is a relatively new target for anti-HIV drugs, several other companies have already demonstrated antiviral activity in clinical trials of CCR5 inhibitors, thereby validating CCR5 as a clinical target. No CCR5 inhibitor is currently on the market for the treatment of HIV infections, the leading compound being Pfizer's Maraviroc which is currently in Phase III clinical trials.

**A V E X A**

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Avexa Limited is a Melbourne-based biotechnology company with a focus on research and development of drugs for the treatment of infectious diseases, in particular diseases which have a significant unmet medical need. Avexa has dedicated resources and funding for key projects including antiviral drugs for HIV and an antibiotic alternative for antibiotic-resistant bacterial infections. The Company's lead program is apricitabine (ATC) which has recently successfully completed the 21 day dosing of its Phase IIb trial. The Company continues to progress ATC towards Phase III trials.