



ASX Release

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Avexa & Shire Renegotiate License Agreement for Apricitabine (ATC)

Melbourne, Australia – August 26th, 2008 – Australian biotechnology company Avexa Limited (ASX:AVX) today announced that it has renegotiated its license arrangements with Shire plc for its apricitabine (ATC) program.

As part of the renegotiation, Avexa will issue Shire with \$5 million USD worth of new equity (equal to 18.6 million shares) which increases Shire's holding in Avexa to 11.1%. These new shares will be held in escrow for 12 months unless there is a change of ownership. Other terms and conditions of this renegotiation remain confidential. However, Avexa believes that as a result of the renegotiation a substantially greater proportion of the future commercial value of ATC could accrue for the benefit of Avexa shareholders through a reduction of sales royalties and removal of future milestone payments.

Since Avexa licensed ATC from Shire in March 2005, Avexa has been progressively enhancing the drug's commercialisation strategy, as evidenced by the renegotiation of the North American rights to ATC in January 2007 (giving Avexa full worldwide rights), as well as the current renegotiated license terms giving Avexa greater potential ownership of the drug going forward.

"These further changes provide Avexa with greater ownership of ATC and allow the company to explore all avenues for ATC moving forward and the subsequent commercialisation of the product," stated Avexa CEO Dr. Julian Chick. "The company will be in a stronger position with ATC."

"We are pleased with the progress Avexa has made with the ATC program," stated Joseph Rus, Executive Vice President of Alliance Management and New Market Development for Shire.

Avexa's Phase III studies for ATC continue to progress well. The company has initiated 100 sites in North America, Europe, Israel, Australia and South America. The company also continues to progress preparation for additional countries and sites to be initiated when required for the second of the Phase III trials.

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About Avexa Limited

www.avexa.com.au

Avexa Limited is a Melbourne-based biotechnology company with a focus on research and development of drugs for the treatment of infectious diseases. Avexa has dedicated resources and funding for key projects including its HIV integrase program and an antibiotic program for antibiotic-resistant bacterial infections which have both entered the IND-enabling study stage. The Company's lead program is apricitabine (ATC), an anti-HIV drug which has successfully completed the 48 week dosing of its Phase 2b trial and has recently initiated Phase 3 trials.

About Shire plc

www.shire.com

Shire's strategic goal is to become the leading specialty pharmaceutical company that focuses on meeting the needs of the specialist physician. Shire focuses its business on attention deficit and hyperactivity disorder (ADHD), human genetic therapies (HGT), gastrointestinal (GI) and renal diseases. The structure is sufficiently flexible to allow Shire to target new therapeutic areas to the extent opportunities arise through acquisitions. Shire believes that a carefully selected portfolio of products with a strategically aligned and relatively small-scale sales force will deliver strong results.

Shire's focused strategy is to develop and market products for specialty physicians. Shire's in-licensing, merger and acquisition efforts are focused on products in niche markets with strong intellectual property protection either in the US or Europe.