



ASX Release

Avexa signs exclusive licence agreement to develop new compounds to treat HIV/AIDS

Wednesday 8 February 2006

Research and development biotechnology company Avexa Limited [ASX: AVX] today announced the signing of an exclusive licence agreement with UK-based drug discovery and development company MNLpharma which allows Avexa to develop and commercialise a number of HIV Integrase inhibitors identified from MNLpharma's Phyt PURE™ library.

Integrase is one of the key enzymes required for HIV to replicate. By inhibiting this enzyme, the integration of HIV DNA into the DNA of immune system cells (the process by which infection occurs) is disabled.

Under the terms of the agreement, Avexa will fund the optimisation, preclinical and clinical development, and commercialisation of any resulting products. MNLpharma will receive milestone payments and royalties. The financial terms of the deal were undisclosed.

This agreement follows an initial collaboration between the two companies in 2004, during which the HIV Integrase inhibitors were discovered in MNLpharma's Phyt PURE™ library.

Avexa has built considerable expertise with HIV Integrase. By generating treatments for HIV/AIDS that target this enzyme alone, Avexa hopes to avoid the significant side effect issues associated with many existing HIV drugs. Currently there are no drugs available that target this enzyme, although it has attracted great interest and research across the industry.

Julian Chick, CEO of Avexa said, "Around the world 42 million people are living with HIV/AIDS, and there remain significant problems with available drugs to treat the epidemic. We believe there is great promise in the development of a drug which inhibits the enzyme which causes the spread of infection. Our agreement with MNLpharma allows Avexa to pursue exclusively the development of this program and supports our existing HIV Integrase program."

**A V E X A**

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Hadyn Parry, CEO of MNLpharma, said, "We are looking forward to continuing our partnership with Avexa, and to help generate a new generation of drugs for HIV that are both effective and well tolerated. Avexa is a leader in this field and is well placed to develop and exploit any novel compounds arising from our Phytopure™ library. This deal fits perfectly with our business model to exploit the Phytopure™ compound library in our non-core areas through partnerships with leading companies in specific technology area, such as Avexa in HIV Integrase."

About Avexa

Avexa Limited is an ASX-listed Melbourne-based biotechnology company with a focus on research and development of anti-infectives. The company is developing drugs for the treatment of infectious diseases that have a significant unmet medical need, in particular a focus on HIV/AIDS and drug-resistant bacterial infections. In January 2005 the company in-licensed the Phase II stage drug, AVX754, from global specialty pharmaceutical company Shire Pharmaceuticals Group. Avexa is currently undertaking Phase IIb trials on AVX754 with results expected in the first half of 2006. Avexa has followed the ASX Code of Best Practice for Biotechnology Companies in preparing this announcement.

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