

12 May 2008

The Companies Section
The Australian Stock Exchange Limited
South Tower, Rialto
Level 45
525 Collins Street
MELBOURNE VIC 3000

Dear Sir/Madam

Cease to be a Substantial holder of Metabolic Pharmaceuticals Limited

We enclose Form 605 "Notice of Ceasing to be a Substantial Holder" with respect to a holding in Metabolic Pharmaceuticals Limited by Polychip Pharmaceuticals Pty Ltd ("Polychip"), a wholly owned subsidiary of Circadian Technologies Limited.

The notice is in reference to the sale by Polychip of the balance of its holding of 36,012,701 Metabolic ordinary shares as recently announced by Circadian.

Yours faithfully

Natalie Korchev
Company Secretary

FORM 605**Corporations Act 2001
Section 671B****NOTICE OF CEASING TO BE A SUBSTANTIAL HOLDER**

To: **METABOLIC PHARMACEUTICALS LIMITED**

ACN: **083 866 862**

1. Details of substantial holder (1)

Name: **POLYCHIP PHARMACEUTICALS PTY LTD (a wholly owned subsidiary of Circadian Technologies Limited)**

ACN: **006 455 456**

The holder ceased to be a
substantial holder on **12/5/2008**

The previous notice was
given to the company on **12/1/2007**

The previous notice was dated **12/1/2007**

2. Changes in relevant interests

Particulars of each change in, or change in the nature of, a relevant interest (2) of the substantial holder or an associate (3) in voting securities of the company or scheme, since the substantial holder was last required to give a substantial holding notice to the company or scheme are as follows:

Date of change	Person whose relevant interest changed	Nature of change (4)	Consideration given in relation to change (5)	Class (6) and number of securities affected	Person's votes affected (no. of shares)
12/5/2008	Polychip Pharmaceuticals Pty Ltd	Sale of shares – off-market transaction	\$0.048 per share	Ordinary shares 36,012,701	36,012,701

3. Changes in association

The persons who have become associates (3) of, ceased to be associates of, or have changed the nature of their association (7) with, the substantial holder in relation to voting interests in the company or scheme are as follows:

Name and ACN (if applicable)	Nature of association
Not applicable	

6. Addresses

The addresses of persons named in this form are as follows:

Name	Address (Registered Office)
Polychip Pharmaceuticals Pty Ltd	Level 1, 10 Wallace Avenue, Toorak, Victoria
Circadian Technologies Limited	Level 1, 10 Wallace Avenue, Toorak, Victoria

Signed by:
Natalie Korchev
Company Secretary

Dated: 12 May 2008