ACRUX (ACR) - ASX ANNOUNCEMENT **13 FEBRUARY 2006**

LICENCE AGREEMENT BETWEEN ACRUX AND POPULATION COUNCIL FOR COMMERCIALISATION OF WORLD'S FIRST CONTRACEPTIVE SPRAY – ADDITIONAL DISCLOSURE UNDER CODE OF BEST PRACTICE FOR REPORTING BY LIFE SCIENCES COMPANIES

Acrux today issued a media release regarding the execution of a licence agreement with the New York-based Population Council. The agreement enables Acrux to progress toward commercialisation of a unique contraceptive spray, Nestorone® MDTS®, which combines the new-generation contraceptive drug Nestorone® with Acrux's patented metered-dose skin spray delivery technology. Additional information regarding the agreement is as follows:

- The agreement was executed by Fempharm Pty Ltd, a wholly owned subsidiary of Acrux Limited. The agreement is conditional upon completion of due diligence enquiries by FemPharm within the next sixty days.
- Fempharm has licensed from the Population Council Inc., on a worldwide basis, intellectual property covering the use of Nestorone® delivered using Acrux's patented metered-dose skin spray technology, in contraception, hormone therapy and other unspecified fields.
- Fempharm is responsible for development, manufacturing and commercialisation of Nestorone® MDTS® and has the right to sub-license to commercial partners.
- FemPharm will pay the following to the Population Council:
    - 20% of licence fees, milestone payments and royalties received by Fempharm if Fempharm sub-licenses Nestorone® MDTS® (reducing to 15% after expiry of the Population Council's patents and then further reducing to 10% five years thereafter);
    - 5% of net sales of Nestorone® MDTS® product by FemPharm (reducing to 3% after expiry of the Population Council's patents and then further reducing to 1.5% five years thereafter);
    - A licence fee on signing of US$100,000;
    - Milestone payments of US$100,000 for each of three milestones in the phase 3 clinical trial/regulatory process being achieved for each of contraception and hormone therapy and reduced amounts for other indications for which the product may be marketed.
- Fempharm will conduct a Phase 2 clinical trial in 2006, which is included in its budgeted expenditure. Fempharm intends to secure commercial partners to fund subsequent development and commercialisation.

Contact

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About Acrux www.acrux.com.au

- Acrux is a specialty pharmaceutical company, developing and commercialising a range of patented, patient-preferred healthcare products for global markets, using its innovative technology to administer drugs through the skin.
- Acrux's product pipeline includes treatments of hormonal deficiencies, pain, central nervous system disorders and a contraceptive. 20 human clinical trials have been completed with 8 different drugs and the lead product, Evamist™, is currently in a phase 3 trial in the USA.
- Acrux has licensed USA rights for Evamist™ (Estradiol MDTS®) and Testosterone MDTS® to VIVUS and AUS/NZ distribution rights for Testosterone MDTS® and Fentanyl MDTS® to CSL Limited. Acrux has also licensed its technology to Eli Lilly for veterinary healthcare products.