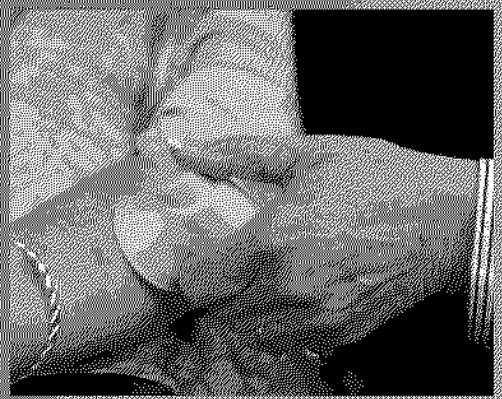
ACRUX

AN INNOVATIVE AUSTRALIAN DRUG DELIVERY COMPANY, DEVELOPING AND COMMERCIALISING A RANGE OF PATIENT-PREFERRED, PATENTED PHARMACEUTICAL PRODUCTS FOR GLOBAL MARKETS



15 March 2007

FORWARD-LOOKING STATEMENTS

This presentation includes forward-looking statements that are subject to risks and uncertainties. Such statements involve known and unknown risks and important factors that may cause the actual results, performance or achievements of Acrux to be materially different from the statements in this presentation.

Actual results could differ materially depending on factors such as the availability of resources, the results of clinical studies, the timing and effects of regulatory actions, the strength of competition and the effectiveness of patent protection

FUNDAMENTALS
PROVEN TECHNOLOGY FOR GLOBAL MARKETS

Proven technology

→ First product successfully through Phase 3 in USA and in registration

→ Other products use same delivery technology

Access to major markets

→ Broad core patents to 2017 granted in USA and Europe, pending elsewhere

→ New patents pending out to 2026

Expert management

→ New leadership for next phase

→ Business aligned with commercial objectives

Financial stability

→ $18 million cash reserves

→ ~40% of shares with institutions

ACRUX

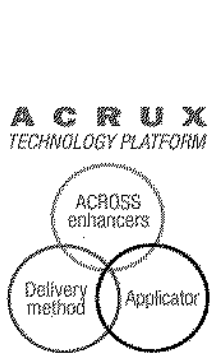
BUSINESS MODEL
VALUE CREATION

→ **EFFICACY**

→ **SAFETY**

→ **PATIENT UTILITY**

BUSINESS MODEL
UNIQUE, PROTECTED DELIVERY TECHNOLOGY



Patchless Patch® Reservoir

Forms an invisible reservoir within the skin

US Pat. no. 6,818,226

(expires 2017)

ACROSS® Enhancers

Allow drugs to pass through skin more rapidly

GRAS status

US Pat. no. 6,299,900

EU Pat. no. 0901368

(both expire 2017)

MDTS® Applicator

Used for simple, accurate & flexible dosing

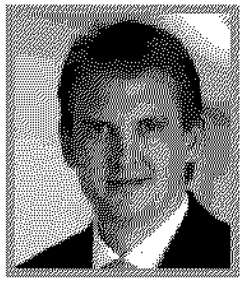
US Pat. no. 6,978,945

(expires 2022)

BUSINESS MODEL
DEVELOPMENT & COMMERCIAL STRATEGY

- Apply delivery technology to proven drugs – abbreviated development with lower cost and less risk
- Progress products through clinical and regulatory milestones sufficient to prove commercial value
- Commercialise in major pharmaceutical markets through licensing intellectual property – licence fees, milestone payments and royalties
- Add drugs to the pipeline identified by Acrux, or by partners under collaborations

BUSINESS STRUCTURE
LEADERSHIP FOR NEXT COMMERCIAL PHASE



Richard Treagus, CEO
Former Sigma, Aspen, Roche

Jon Pilcher, CFO
Former ANZ, Celltech

Nina Wilkins, Director, BD (US, Japan, ANZ)
Former Wyeth

Hugh Alsop, Director, BD (EU, Asia, Middle East)
Former Sigma, Mayne

Adam Watkinson, CSO
Former ProStrakan

Tim Saunders, Director, Project Management
Former Mayne, Fisons

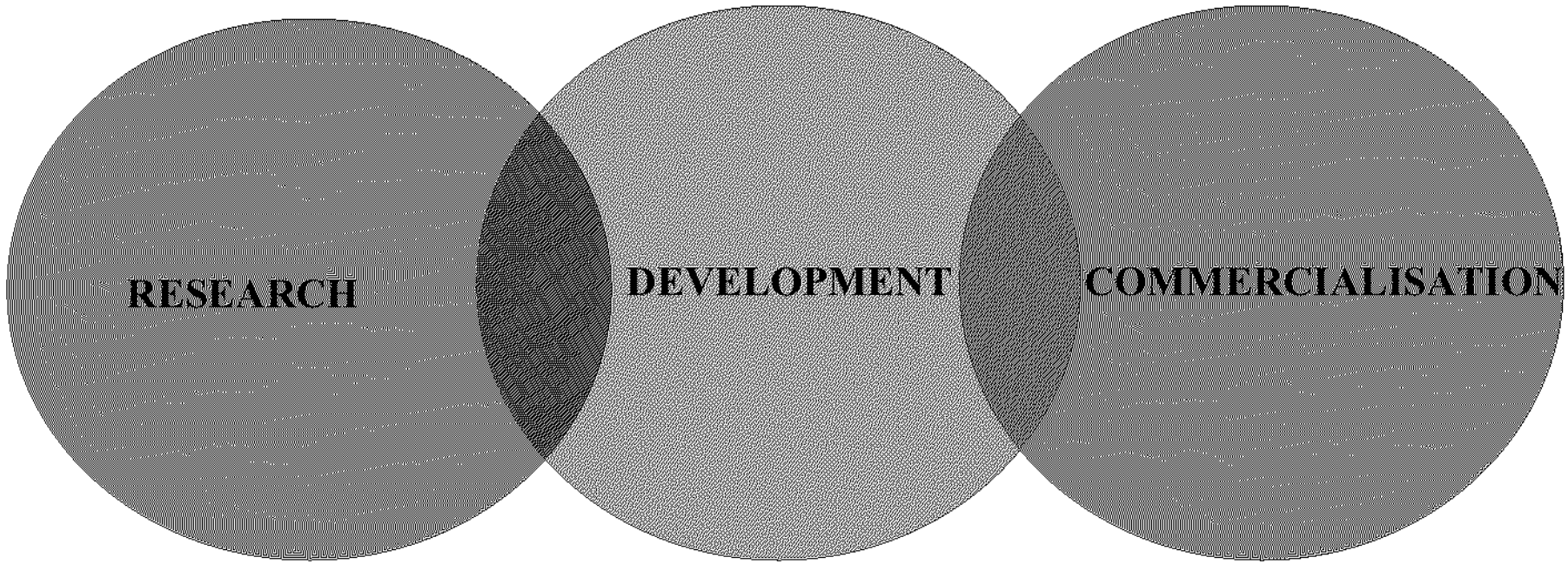
Rosalie Cull, Director, Regulatory & Quality
Former Kendle, Mayne, CSL

→ Increased emphasis on **commercialisation** and **initiating new products**

ACRUX

BUSINESS STRUCTURE
FUNCTIONAL ACCOUNTABILITY

Dr Adam Watkinson	Tim Saunders	Dr Richard Treagus



→New compounds	→Testosterone MD-Lotion®	→Partner Performance
→Technology improvements	→Fentanyl UDTS™	→New Licence Agreements
→Synergistic technologies	→Contraceptive sprays	→Collaborative Agreements

ACRUX

KEY DEVELOPMENT
COMMERCIAL PARTNERSHIP WITH ORGANON

- Healthcare business of Akzo Nobel; a leader in women's health - number 3 in US$6.7 billion global contraception market
- Two separate worldwide licence deals - Organon funds all clinical, regulatory and commercialisation

Organon selects contraceptive compounds for development as spray

Acrux earns US$12-16 million per Organon product plus worldwide royalties

Acrux free to commercialise other contraceptive sprays (e.g. Nestorone®)

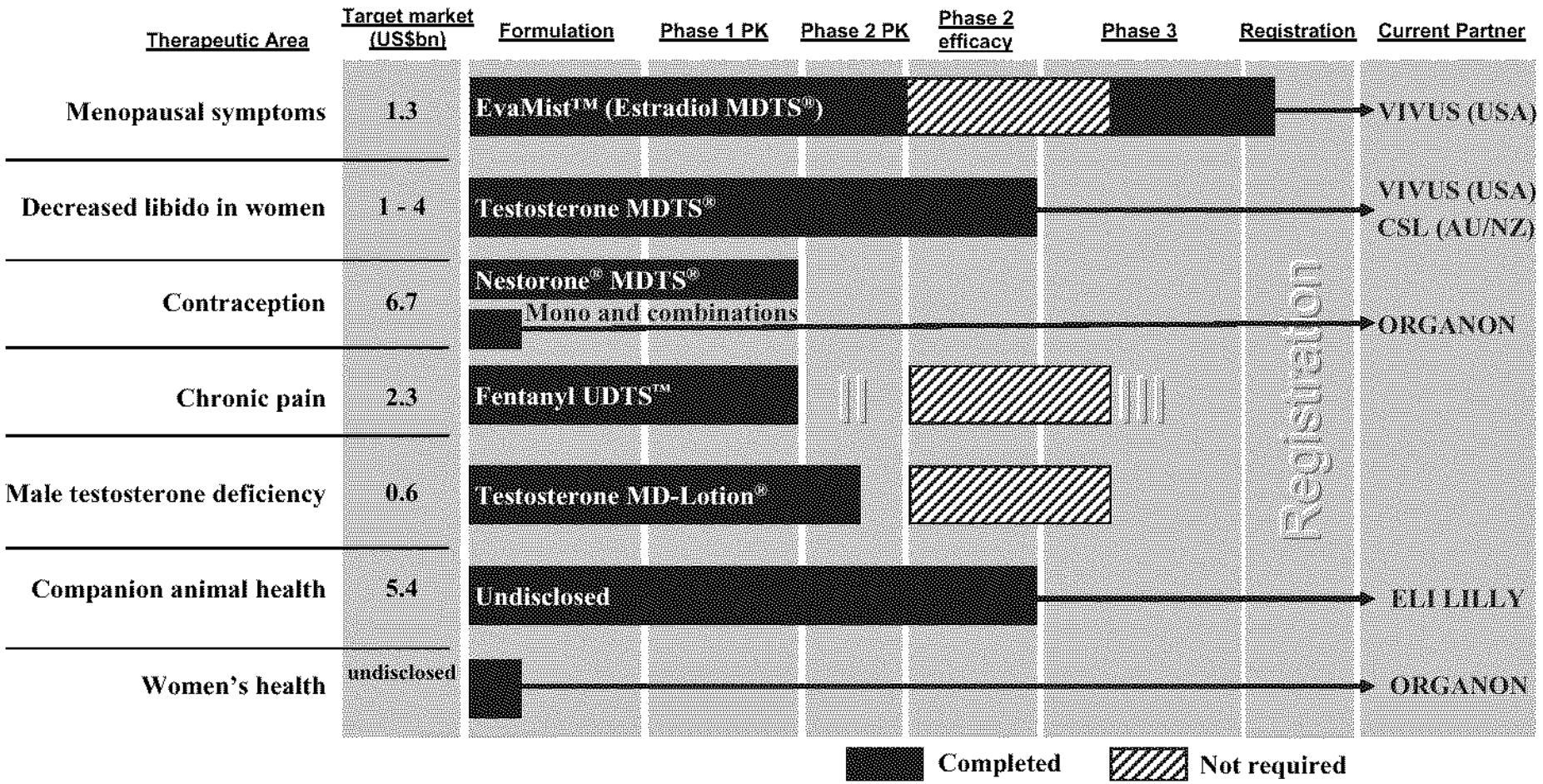
Undisclosed patented Organon drug for large women's health market

Acrux earns US$12 million plus worldwide royalties

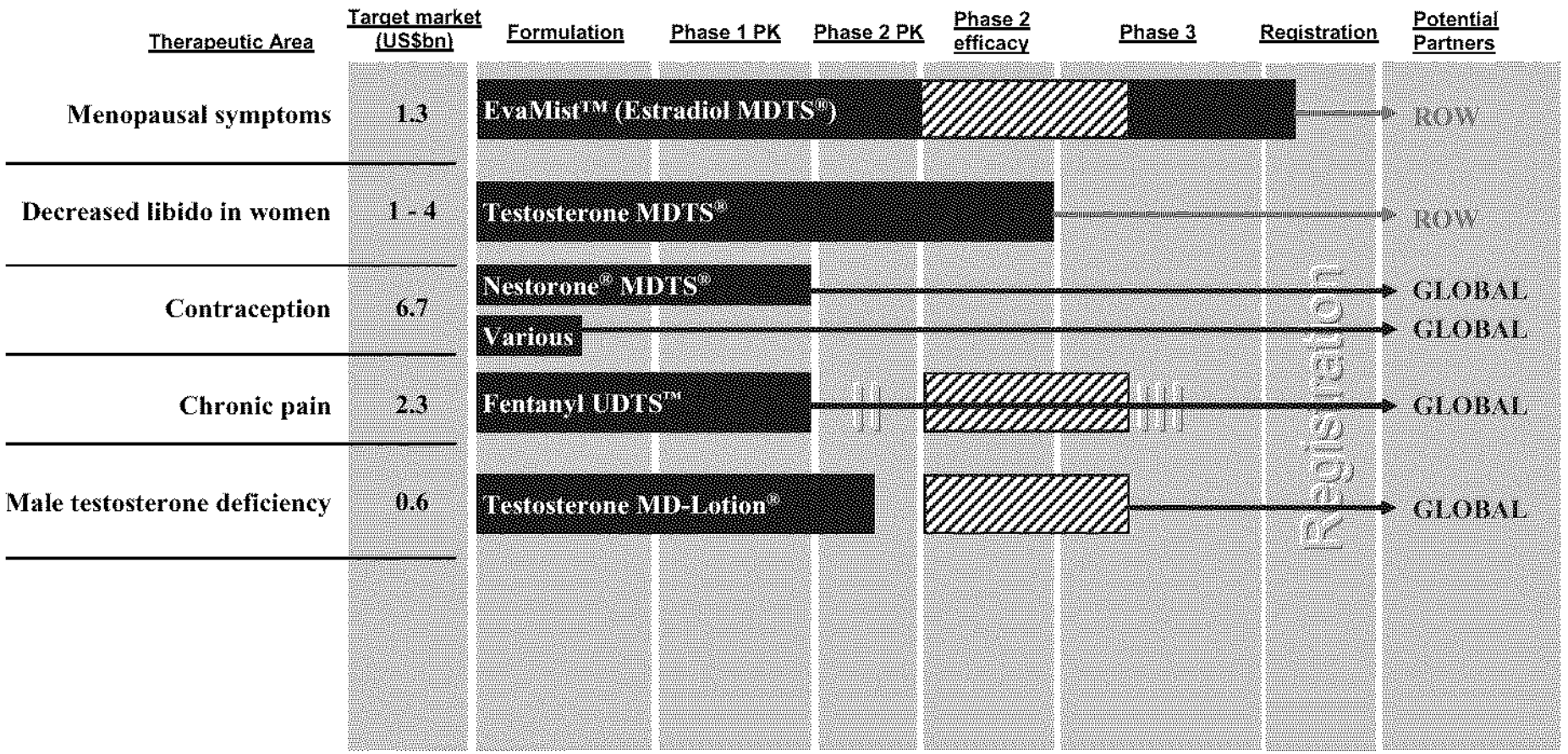
Demonstrates use of Acrux technology with non-hormones and new drugs

Photo credit: Karen Tweedy-Holmes, Population Council

PRODUCT PIPELINE
MULTIPLE PRODUCTS – FIRST US LAUNCH 2007

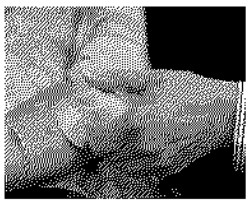


PRODUCT PIPELINE
NEAR-TERM LICENSING OPPORTUNITIES



PRODUCT PIPELINE
EVAMIST™ FOR MENOPAUSE SYMPTOMS

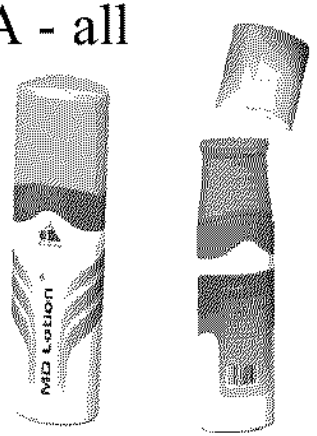
- US marketing application submitted by VIVUS and accepted by FDA
- US$3m due from VIVUS on approval of application, then royalties
- US estrogen-alone therapy market US$1.3 billion
  - Estrogen is most effective treatment for menopause symptoms
  - Transdermal estradiol has safety advantages over estrogen tablets – recent French study confirms
  - Annual sales of patches & gels US$0.3 billion (leading patch >US$100m)
  - Market research confirms strong preference for EvaMist™
- Acrux enforcing VIVUS performance obligations



ACRUX

PRODUCT PIPELINE
TESTOSTERONE MD-LOTION® FOR MEN

- Global market US$0.6 billion, dominated by Androgel®
- US market research confirms strong patient preference for Acrux's convenient and discreet lotion over current therapies
- Patent pending protects unique application to the armpit until 2026
- Phase 2 trial in progress in USA under IND; results due mid-2007
- Low risk development - no efficacy trials required by FDA - all pharmacokinetic trials
- Commercial partnering discussions underway



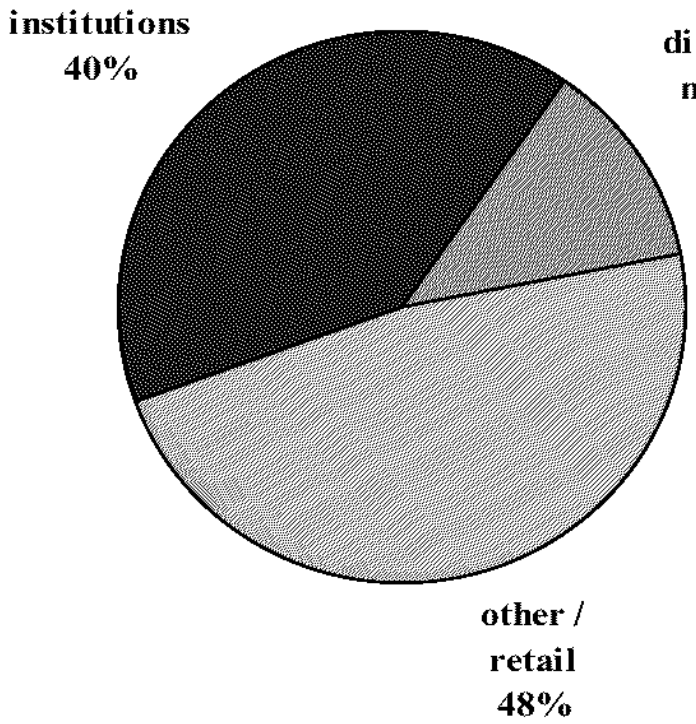
FINANCE
KEY INFORMATION

- Cash reserves $18m - cash outflow FY 2005/06 $8.3m
- Priority to grow revenue from new & existing licences
- Research and commercialisation are scalable at fixed cost – development costs are variable and controllable
- Target is revenue growth to drive profitability in 2008
- Existing licensing revenue sources:
  - Licences to Organon (up to US$16m per product plus royalties)
  - Licences to VIVUS (up to US$8.5m milestones plus royalties)
  - Licence to Elanco (up to A$8.25m milestones plus royalties)

ACRUX

FINANCE
SHARE REGISTER

SHARE OWNERSHIP
(TOTAL 142.6m)

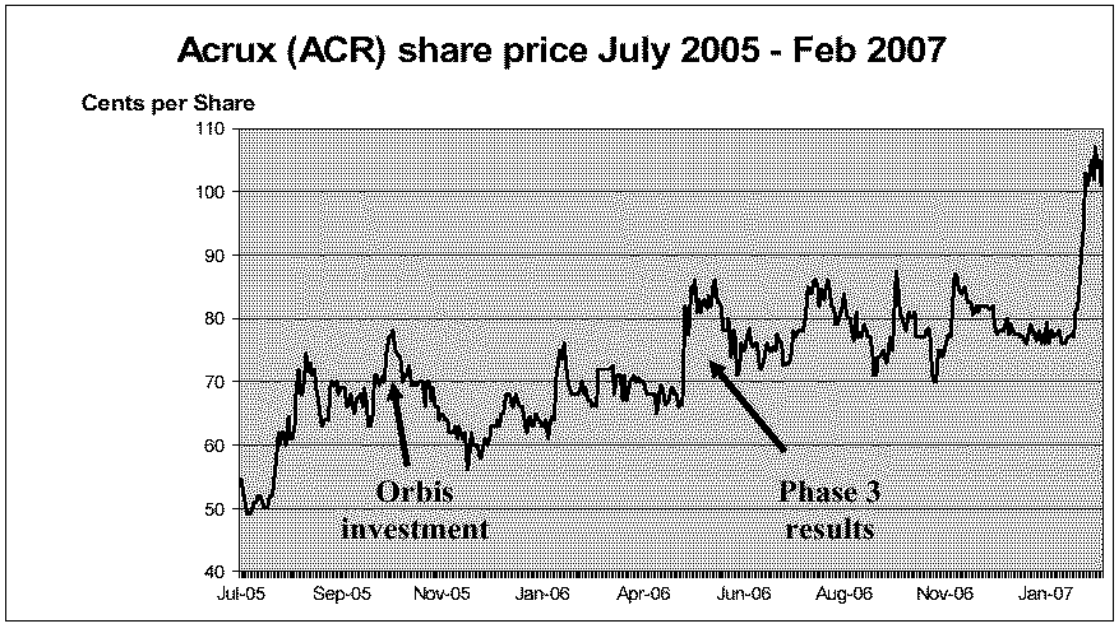


6.4m (4.5%) employee options outstanding at prices 69c to $1.20

Controlled improvement in register quality:
→ Nov 2006 to Feb 2007; former CEO options expiry – 8m shares placed/sold
→Oct 2006; 2 year escrow expiry – 3m shares acquired by institutions
→ Oct 2005; 1 year escrow expiry – 16m shares acquired by Orbis

Retains **Pooled Development Fund** status – no tax on capital gains

FINANCE
MARKET VALUATION



→ Focus on a single technology, applied to multiple products
→ Technology proven in US Phase 3 trial
→ Abbreviated product development pathway
→ Patent protection in large international markets
→ Near term product revenues
→ Capable management

Market cap 6 Feb 2007[1]	**$m**
Novogen	310
Progen	308
Biota	291
Ventracor	238
Clinuvel	230
Phosphagenics	187
Alchemia	150
Heartware	145
Peplin	140
Avexa	146
Acrux	**134**

[1] Source: afr.com.au

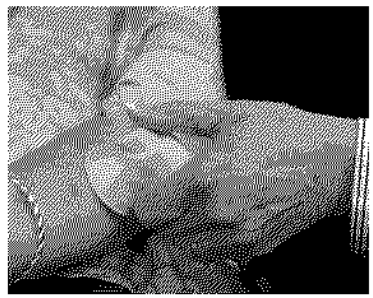
MILESTONES
KEY EVENTS SINCE JUNE 2006

- **Organon** – 2 licensing deals signed with one of the global leaders in contraception and women's health;
- **Evamist™** - VIVUS filed Evamist marketing application with FDA; US$1m received
- **Testosterone MD-Lotion®** - started final Phase 2 trial
- **Animal Health** – Elanco licence expanded to add additional therapeutic field; $150k received
- **Share register quality** – institution holdings increased to 40%; outstanding options reduced to 4.5%

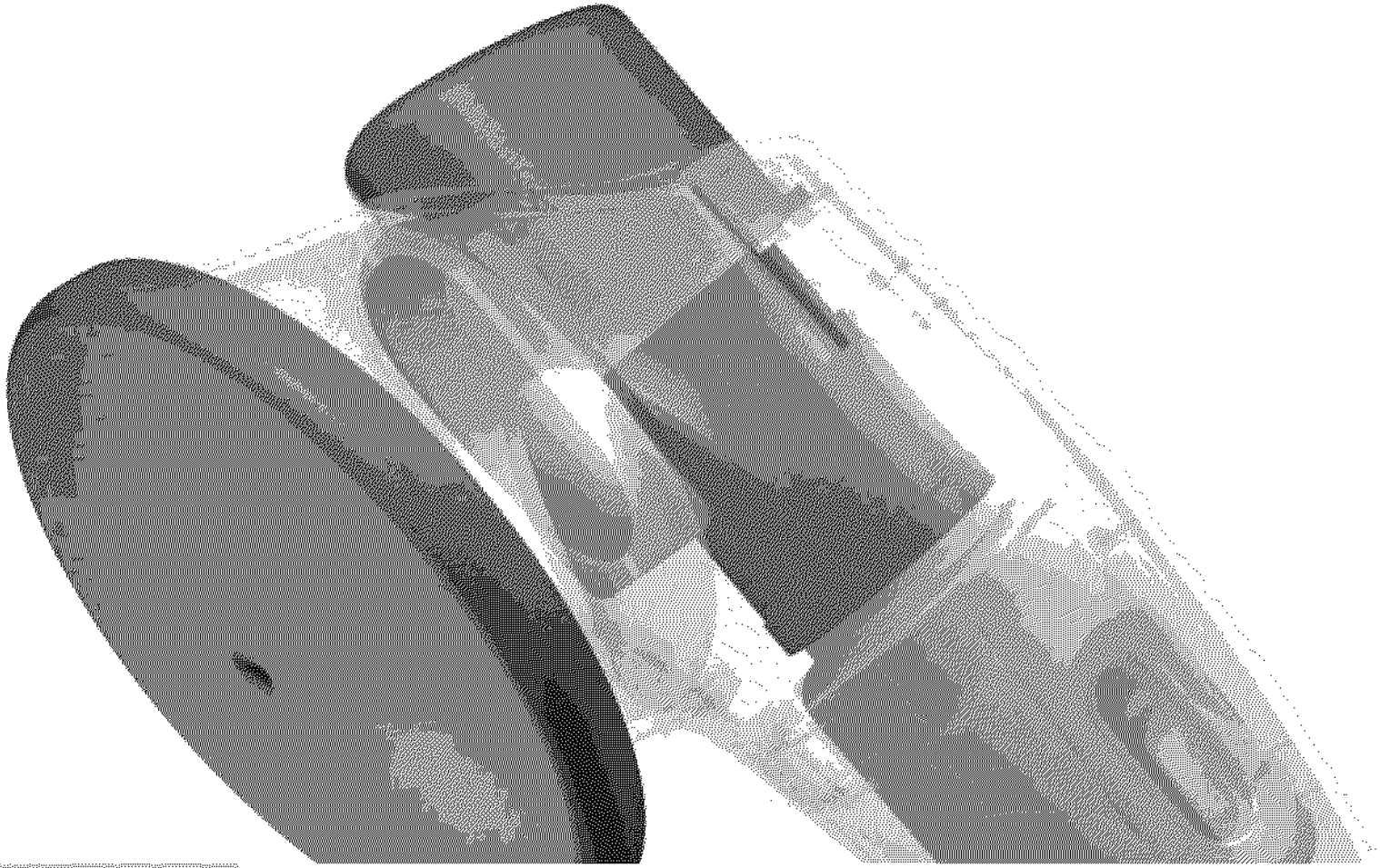
ACRUX

MILESTONES
BUSINESS OBJECTIVES FINANCIAL YEAR 06/07

- **Licensing** - secure significant new deal (2 deals achieved)
- **EvaMist™** - VIVUS files marketing application with FDA (achieved)
- **Testosterone MDTS®** - VIVUS starts Phase 3 trials
- **Contraceptive sprays** - start proof of concept trials of combinations
- **Testosterone MD-Lotion®** - complete Phase 2 trials
- **New products** - one successful proof of concept trial
- **Fentanyl UDTS™** - open IND with FDA for Phase 2
- **Cash** - maintain above $10 million at all times



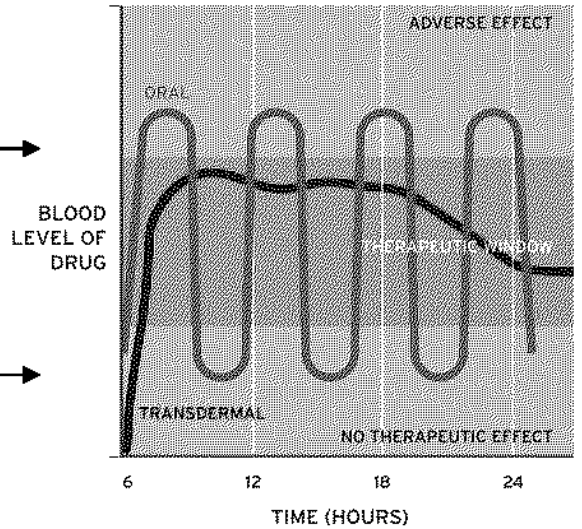
ACRUX

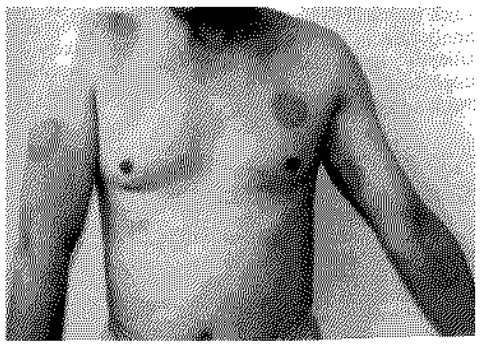


APPENDIX

TRANSDERMAL DRUG DELIVERY
POTENTIAL NOT REALISED BY OLD TECHNOLOGIES

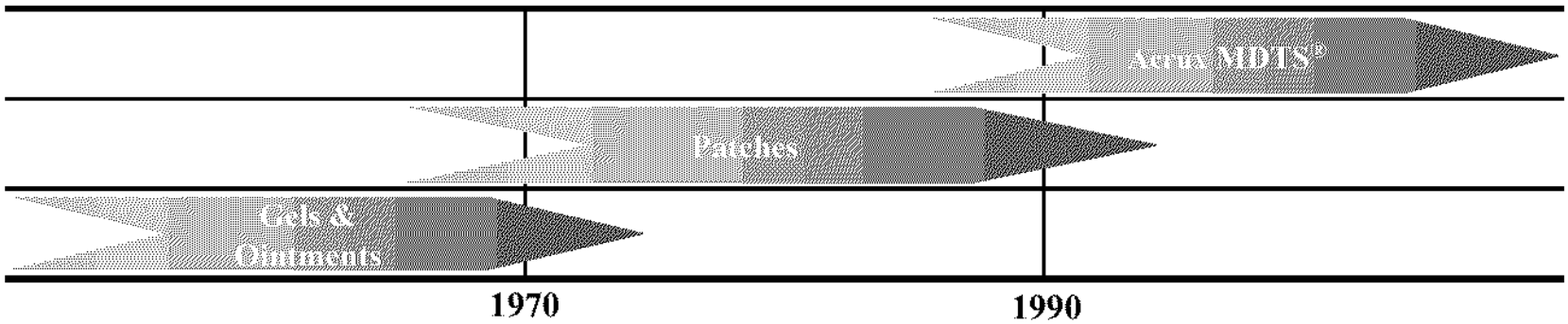
- Key advantages
  - Steady, continuous delivery
  - Sustained efficacy, reduced toxicity
  - Lower dose frequency leads to increased patient compliance
  - Works for many injectable drugs
- Acrux overcomes traditional patch disadvantages
  - Dosage limitations
  - Skin irritation
  - Cosmetic unacceptability
  - Cost of manufacture





NEXT GENERATION DELIVERY
ACRUX COMPETITIVE ADVANTAGES

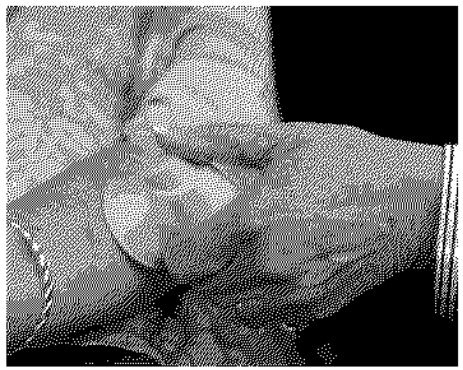
Evolution of Passive Transdermal Delivery Systems



	Transdermal Gels	Transdermal Patches	Acrux Technology
No or low risk of skin irritation	✓	×	✓
Cosmetic acceptability	×	×	✓
Dosage flexibility	×	×	✓
Ease of manufacture	×	×	✓
Cost effective	✓	×	✓
Range of applications	×	✓	✓
Preference by patients	×	×	✓

PREFERRED BY PATIENTS
CLEAR IN MARKET RESEARCH

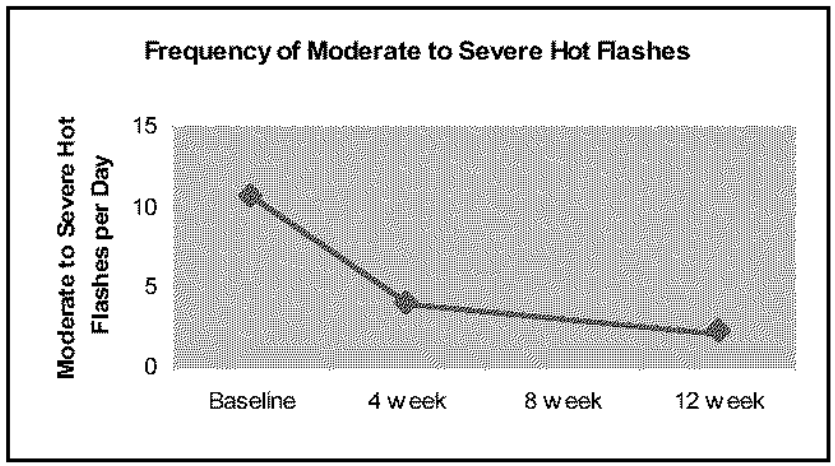
- Market research with 200 women of post-menopause age
  - Patch or implant hormone therapy users – 100% would switch to MDTS®
  - Tablet hormone therapy users – 88% would switch to MDTS®
- Backed up in studies conducted by others
- Current annual US market for estrogen therapy
  - Patches/gels: US$0.3 billion
  - Other, mainly tablets: US$1.0 billion

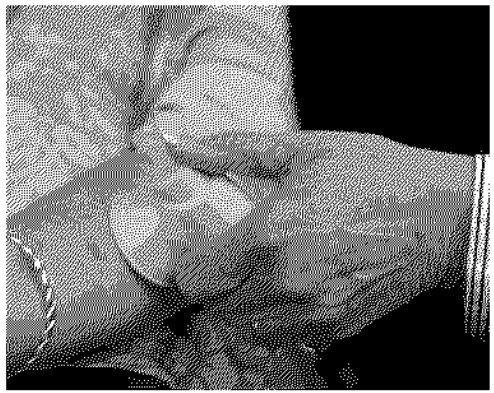


ACRUX

PRODUCT PIPELINE
PHASE 3 RESULT VALIDATES ENTIRE PORTFOLIO

- 457 postmenopausal women – changes in frequency and severity of moderate to severe hot flushes after 4 and 12 weeks with EvaMist™ or placebo spray
- All FDA efficacy and safety endpoints met

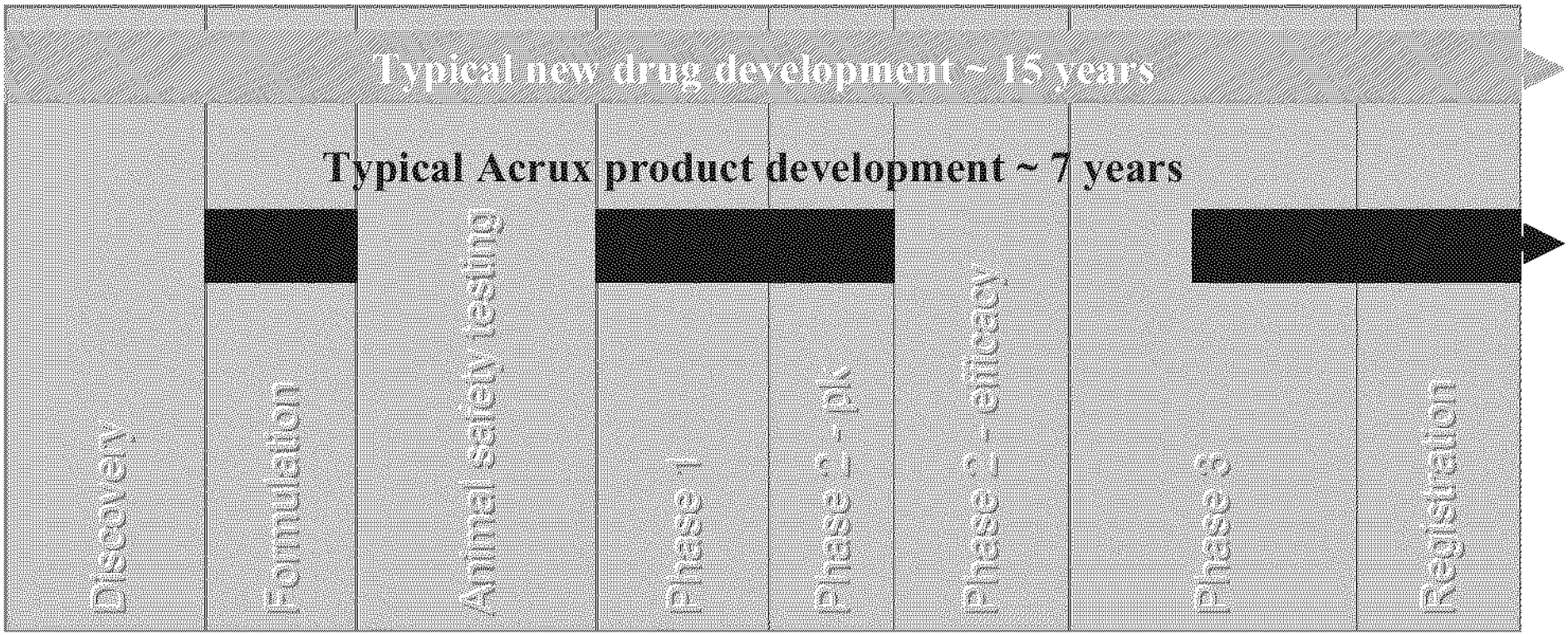




- Statistical significance over placebo for all three dose levels - 1, 2 and 3 sprays per day, giving dosing flexibility
- Most effective dose 78% reduction in hot flashes (oral HT average 75%)
- Skin irritation incidence less than 1% (patches 10%-20%)

ACRUX

BUSINESS MODEL
FASTER, LOWER COST, LESS RISK



First product EvaMist™ to launch in 2007 after 7 years development

Nestorone & Testosterone for women are exceptions – require Phase 2 efficacy and longer Phase 3