ACRUX (ASX: ACR) - ASX ANNOUNCEMENT 18 JULY 2007

ACRUX COMPLETES $22.5 MILLION CAPITAL RAISING

Melbourne 18th July: Acrux (ASX: ACR) is pleased to announce that it has received commitments for $22.5 million from institutional and sophisticated investors in Australia and Europe.

The placement was concluded in two business days and closed over-subscribed with an issue price of $1.60, representing a 6% discount to the 5 day volume-weighted average price of the Company's share at 11 July 2007. The placement was managed by Wilson HTM.

Acrux's base business model assumes that the cash raised at the time of IPO was adequate to fund the business through to profitability. Although this assumption has not changed, the opportunity to take the Testosterone MD-Lotion® product further in the development process than originally contemplated, presents a compelling opportunity justifying a very specific additional investment.

The proceeds of the capital raising will be used for the purpose of undertaking a phase 3 clinical trial as well as the late-stage development activities for Acrux's unique Testosterone MD-Lotion product®. Acrux plans to initiate the Phase 3 clinical trial in Q2 2008 and, subject to successful completion of the trial, will submit new drug applications in the USA and Europe in H2 2009, with marketing approval anticipated in H2 2010.

"The successful phase 2 results announced this week provide Acrux with a compelling case to continue the development of the Testosterone MD-Lotion® through to completion. We have a unique opportunity to develop an innovative pharmaceutical product and in the process capture more of the product's value for our shareholders. We have deliberately deferred any licensing arrangements at this time, however we will once again be seeking expressions of interest from partners when we complete the phase 3 trial." commented Dr Richard Treagus, Acrux CEO.

Subject to shareholder approval at the Annual General Meeting, all members of the Acrux Board have taken up their full entitlements in the capital raising. "We are extremely pleased with the strong support that we have received from our institutional and sophisticated shareholders in this capital raising", Richard Treagus added.

Shareholder Share Purchase Plan

In addition to the placement to institutional and sophisticated investors, Acrux is pleased to offer qualifying shareholders the opportunity to participate in a Share Purchase Plan ("SPP") at the same issue price as the placement.

Under the SPP, qualifying shareholders may apply for shares in Acrux at $1.60 per share up to a maximum of $5,000 per shareholder. The record date for the SPP has been set at 9.30am (AEST) on Wednesday, 18 July 2007 and offer documents for the SPP are expected to be forwarded to eligible shareholders on or about 31 July 2007.

Further information under ASX Listing Rules

From the date of allotment, the shares to be issued under the placement will rank equally in all respects with existing ordinary shares.

A total of 14,062,500 shares will be issued under the placement. The shares (12.3 million) issued under the placement to all parties other than directors of the Company will be issued pursuant to the 15% entitlement under Listing rule 7.1. Shares subscribed for by directors of the Company (1.8 million) will be issued following and subject to shareholder approval at the Company's Annual General Meeting.

Contact

Richard Treagus, Acrux CEO
+61 417 520 509
richard.treagus@acrux.com.au

About Acrux - www.acrux.com.au

- Acrux is an Australian drug delivery company, developing and commercialising a range of patient-preferred, patented pharmaceutical products for global markets, using its innovative technology to administer drugs through the skin.
- Fast-drying, invisible sprays or liquids provide a delivery platform with low or no skin irritation, superior cosmetic acceptability and simple, accurate and flexible dosing. The technology platform is covered by broad and well-differentiated, issued patents.
- Acrux's products in clinical development include:
    - Estradiol MDTS® (EvaMist™ in the USA) to treat menopause symptoms
    - Testosterone MDTS® to treat decreased libido in women
    - Testosterone MD-Lotion® to treat testosterone deficiency in men
    - Nestorone® MDTS® contraceptive spray for women
    - Fentanyl MDTS® to treat chronic pain
- Acrux has licensed worldwide rights to its technology for selected contraceptives and for an undisclosed proprietary drug to ORGANON, USA rights for Estradiol MDTS® to KV Pharmaceutical and for Testosterone MDTS® to VIVUS, and AUS/NZ distribution rights for Estradiol MDTS® to Aspen Pharmacare and for Testosterone MDTS® and Fentanyl MDTS® to CSL Limited. Acrux has also licensed its technology to Eli Lilly and Company for veterinary healthcare products.