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**Company Announcements Office
Australian Stock Exchange**

Sydney, Australia. 1 April 2005. Proteome Systems (ASX:PXL) announced the achievement of a milestone under a collaborative agreement with the US-based HighQ Foundation for the discovery of biomarkers for monitoring the progression of Huntington's disease (HD) and the effectiveness of treatments in clinical trials.

The milestone, involving proteomic analysis of diseased and normal individuals, was reached four months into the 18-month agreement and involved identification of the first candidate biomarkers for HD in clinical samples of plasma and cerebrospinal fluid. The milestone payment was US\$300,000.

HD is an inherited disease that affects about 1 in 10,000 adults in the Western world—usually between the ages of 30 and 50 years—and is invariably fatal. Huntington's disease is associated with neurodegeneration leading to a progressive decline in physical movement and mental processes. There is currently no effective treatment.

"The research findings associated with the achievement of this first milestone give us a high level of confidence that our quest will be successful," said Dr Keith Williams, Chief Executive Officer of Proteome Systems.

Professor Allan Tobin from the HighQ Foundation said: "Finding biomarkers that track the development of Huntington's disease will be a great boon to clinical research and to clinical trials. These initial results from Proteome Systems suggest that such markers may be present and be revealed by Proteome Systems' powerful technology. We're much encouraged, and we look forward to working with Proteome Systems on more detailed studies."

"A very positive finding for Proteome Systems has been the observation that although there are potentially many differences in proteins between patients and healthy individuals, a small number of these was found to be critical for accurate diagnosis of disease status" Dr Jenny Harry, Head of Discovery & Diagnostics, said. This bodes well for the development of a diagnostic product, as a few critical biomarkers should be sufficient to assess disease status.

About Proteome Systems

Proteome Systems Ltd (ASX:PXL) commenced operations in January 1999 and listed on the Australian Stock Exchange in September 2004. In 6 years, Proteome Systems has grown to be a business with substantial management experience that is headquartered in North Ryde, Sydney, Australia, with a facility at Woburn in Boston, USA and a presence in Osaka, Japan.

The Company was founded by Professor Keith Williams and a core team of internationally recognized scientists from the Macquarie University Centre for Analytical Biotechnology who pioneered the field of proteomics during the 1990's. The founders of the Company made significant contributions towards defining proteomics as we know it today.

The Company used a multidisciplinary approach to exploit emerging market opportunities in proteomics. In the first instance this involved building a suite of proteomics technology and IT products (ProteomIQ).

These have been developed in conjunction with discovery and diagnostic programs, which are generating proprietary biomarkers for diagnostic and drug target development. Through partnered programs, the Company has developed special expertise in the areas of respiratory disease and neurodegenerative disease/aging. The Company has recently added a portfolio of small molecule drug compounds to the business through the acquisition of Eukarion Inc to rapidly build the therapeutic arm of the business.

About the High Q Foundation

The High Q Foundation was established in 2002 to bring together academia, industry, governmental agencies and other funding organizations in the search for HD treatments. The Foundation supports numerous projects covering basic research, drug discovery and clinical studies.

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