ASX Announcement

Proteome Systems Limited ACN 080 277 998

proteome systems

Thursday, September 08, 2005

Company Announcements Office
Australian Stock Exchange

Proteome Systems raises $10million through a private placement to institutional and professional investors

- ***Proteome Systems announced it has completed a conditional private placement to institutional and professional investors raising approx $10million at $0.30 per share***
- ***The proceeds will allow the Company to accelerate development of its TB test and undertake clinical development of its scavenger drugs for dermatological conditions***

Proteome Systems (ASX: PXL) today announced that it will raise approximately $10million through the issue of up to 33,333,333 fully paid ordinary shares to institutional and professional investors in the UK, US and Australia at a price of $0.30c per share.

The placement is conditional upon shareholder approval, which the Company will seek at an extraordinary general meeting to be convened in October 2005, with notices to be sent to shareholders shortly.

The net proceeds of the placement after broker and selling fees will be approximately $9.75million. These funds will provide the Company with sufficient working capital to further develop opportunities in its Diagnostics & Therapeutics business which it believes provide the best prospects for significant near term commercial returns.

The Company will accelerate the development of its rapid diagnostic test for active tuberculosis. This will build on local and international support received by the Company for its TB test programme over the past year, including a $2million START grant from the Australian government and entry into a commercial partnership with the Geneva based Foundation for Innovative New Diagnostics to fast track the development of this TB test.

The placement will also allow the Company to commence the clinical development of one of its lead scavenger drug compounds as a topical treatment for a range of dermatological diseases.

Stephen Porges, CEO of Proteome Systems, said "With the recent developments in our Diagnostics and Therapeutics businesses, we saw this as an ideal time to bring new investors into the Company. The recent validation of our Diagnostics and Therapeutics businesses, through our relationship with the Foundation for Innovative New Diagnostics the US Government grant announced this week to develop our scavenger drug compounds lead us to be extremely positive about the new direction of the Company"

The new shares will be issued following an EGM scheduled for October 2005, if shareholder approval is obtained and will rank equally with the Company's ordinary shares. The Company will apply to the ASX for quotation of the shares following their issue.

Background on Proteome Systems:

Proteome Systems Discovery & Diagnostics business discovers protein biomarkers that have potential for use as diagnostics and therapeutic targets in the areas of respiratory disease, neurobiology & aging and cancer. With the recent acquisition of Eukarion Inc., the Discovery & Diagnostics business has a portfolio of drugs entering clinical development. Proteome Systems Technology business develops and commercialises innovative technology solutions to enable proteomics and glycomics research. These solutions include integrated instrument-based systems, consumables and bioinformatic software. Additional information about Proteome Systems can be found at http://www.proteomesystems.com.

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