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ASX MEDIA RELEASE 8 September 2010

Agenix, IMB, Announce Agreement to Purchase, Develop and Commercialise Hepatitis B drug in China

Agenix Limited (ASX: AGX) (**Agenix**) announced today that it has entered into an exclusive agreement with the Institute of Medicinal Biotechnology (**IMB**) of the Chinese Academy of Medical Sciences in Beijing to purchase, develop and commercialise a patented, novel targeted prodrug analog of an existing compound (Agenix product candidate **AGX-1009**). IMB is the major state institution in China for the discovery and development of anti-infectious drugs. AGX-1009 is one of the drug candidates supported by the Chinese Government's State Special Funds for Important Newly-Developed Drugs.

Preliminary pharmacodynamics, pharmacokinetics and toxicity studies, performed by IMB, show that AGX-1009 has strong inhibition against HIV-1 and Hepatitis B (**HBV**) and also features a low toxicity profile and high oral bio-availability. Agenix will develop the drug for treatment of patients in China with chronic HBV. The patent for the compound does not expire until 2026.

The total purchase price of AGX-1009 is RMB17 million (A$2.72 million at today's exchange rate). The purchase price is payable in instalments if performance milestones are achieved. Based on the expected timing in performance of milestones, RMB6 million (A$960,000 at today's exchange rate) of the purchase price will be payable over the first 12 months.

Agenix and IMB will collaborate to complete the regulatory requirements for the new drug and to obtain the production licence for it. Agenix will have responsibility for commercialising AGX-1009 in China. Agenix's due diligence confirms the commercial opportunity for AGX-1009.

“We are delighted by the promise this novel prodrug holds to improve outcomes for seriously ill patients who have stopped responding to other treatments available for their condition,” said Mr. Nicholas Weston, Executive Chairman of Agenix Limited. “We look forward to working with the IMB to realise this new drug's potential," he said. “This agreement is demonstrative of the strong and deep relationships that Agenix enjoys in China, and is a further step in the transformation of Agenix as it builds a portfolio of products for chronic infectious diseases in China.”

About Agenix AGX-1009

AGX-1009 is an anti-Hepatitis B drug that belongs to a new class of drugs called Nucleotide Analogue Reverse Transcriptase Inhibitors (NtRTI). The closest competitor of AGX-1009 is expected to be GSK/Gilead's Tenofovir DF which obtained US Food and Drug Administration approval for HBV treatment in 2008 and could be approved by China's State Food and Drug Administration by 2014. The body converts AGX-1009 into an active compound that works by interfering with the function of an enzyme (HBV DNA polymerase) that is essential for the replication of HBV.

AGX-1009 is a next generation prodrug that preliminary testing indicates will be an effective, once daily treatment for chronic HBV patients, including those in which the virus has developed resistance to current drugs.

About IMB

The Institute of Medicinal Biotechnology (IMB), Chinese Academy of Medical Sciences, so named since 1986, was founded by the Chinese central government in 1958. Called the Institute of Antibiotics at that time, one of the laboratories rolled into it produced the first penicillin strain in China in the early 1950's and since then it has become the major State Institution in China for drugs against infectious diseases and other major human diseases.

Located in Beijing, there are about 400 people working at IMB, including 33 principal investigators with Ph.D or MD degrees and 12 major laboratories, each with a specialism. The research mainly focuses on novel microbial medicine and anti-infective agents, and extends to anti-cancer drugs, metabolic syndrome drugs, immunoregulative agents, and other bioactive substances. Funded by the Ministry of Science and Technology of China and the Ministry of Public Health it has collaborations with Bethesda Hospital, Maryland in the USA, Vertex Pharmaceuticals Inc., the Gates Foundation and Agenix Limited.

About Agenix Limited

Agenix is a publicly listed, Australian based international biotechnology company with a wholly owned subsidiary in China. The company has two core businesses:

- In **Innovative Biopharmaceuticals** Agenix has 'in principal' rights to clinically develop a pipeline of innovative and proprietary Hepatitis B therapies for commercialisation in China. Through its wholly owned subsidiary, Agenix Biopharmaceutical (Shanghai), established in 2007, the company has established a collaboration with the Institute of Medicinal Biotechnology (**IMB**) of the Chinese Academy of Medical Sciences in Beijing to develop and commercialise a patented prodrug analog of an existing compound for the treatment of chronic HBV in China.
- In **Medical Diagnostics**, the company's lead indicator is a patented monoclonal antibody diagnostic called Thromboview® that, uniquely, detects live blood clots (DVT and PE) in the human body. ThromboView® has successfully completed two FDA Phase II human clinical trials in the United States. The company is positioning Thromboview® as an innovative diagnostic (a 'theranostic') to support the use of developed biopharmaceuticals and is seeking a development partner in China to commercialise the indicator.

Agenix has been listed on the Australian Securities Exchange (ASX: AGX) since 1987. Agenix is active in China, and seeking to establish commercial partnerships in the rest of the world. For additional information on Agenix Limited, please visit the company's website at http://www.agenix.com

Forward looking statement disclaimer

Agenix advises that the above announcement contains forward looking statements which may be subject to significant uncertainties outside of the control of the company. No representation is made as to the accuracy or reliability of forecasts or the assumptions on which they are based. Actual future events may vary from these forecasts and you are cautioned not to place undue reliance on any forward looking statement.

Yours faithfully,

Nick Weston

Nicholas Weston
Executive Chairman

Enclosures: Nil

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