

30 July 2004

The Manager Companies
Australian Stock Exchange Limited

Dear Sirs,

ACTIVITY REPORT – QUARTER ENDED 30 JUNE 2004

Biotechnology Projects

Gingerol Project – ZingoTX Pty Ltd

Milestone 2 research activities on the Gingerol project progressed as planned during the quarter, with the following significant outcomes achieved:

- Dose-dependant activity of selected lead compounds in an animal model of neuropathic pain has been demonstrated in research conducted by Prof Maree Smith from the School of Pharmacy, The University of Queensland.
- Additional, larger quantities of the test compounds have been synthesised, which will allow additional *in vitro* and *in vivo* research activities to be undertaken.

EQiTX has also increased its shareholding in ZingoTX to 44.6% (from 40.5%), by investing \$225,000 of its Third Milestone payment of \$620,000 ahead of schedule. This accelerated investment has allowed ZingoTX to accelerate its optimisation program. Contracts have also been let for additional pre-clinical pharmacology studies, which will continue during the September quarter.

Peptide Vaccine Project – VacTX Pty Ltd

VacTX Pty Ltd has continued its growth in the second quarter of 2004, with the key appointment of Ms Joy Hewitt as Managing Director of VacTX and Chief Commercialization Officer of EQiTX Limited and the appointment of a 3rd full-time scientist to our laboratory at Melbourne University. Ms Hewitt (BPharm, MAppSc, MBA) was formerly the Business Development Manager, R&D and Pharmaceuticals, at CSL in Parkville and previously held senior business positions with AMRAD Pharmaceuticals. She will develop and direct the strategy to commercialize the company's lipopeptide vaccine technology.

A series of planning meetings have been completed with members of the EQiTX Scientific Advisory Board, VacTX Directors and staff and an independent consultant, to identify the most scientifically rational and commercially attractive therapeutic product opportunities to be pursued by VacTX internally.

Meanwhile, Dr David Jackson, the Chief Scientist, and his team at Melbourne University have continued product development studies for the human anti-LHRH vaccine for prostate cancer. A research collaboration has been identified to evaluate this vaccine in a mouse prostate cancer model.

The two enabling patent applications continue to be prosecuted successfully in the major territories.

EQiTX Limited

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Technical Services Agreement

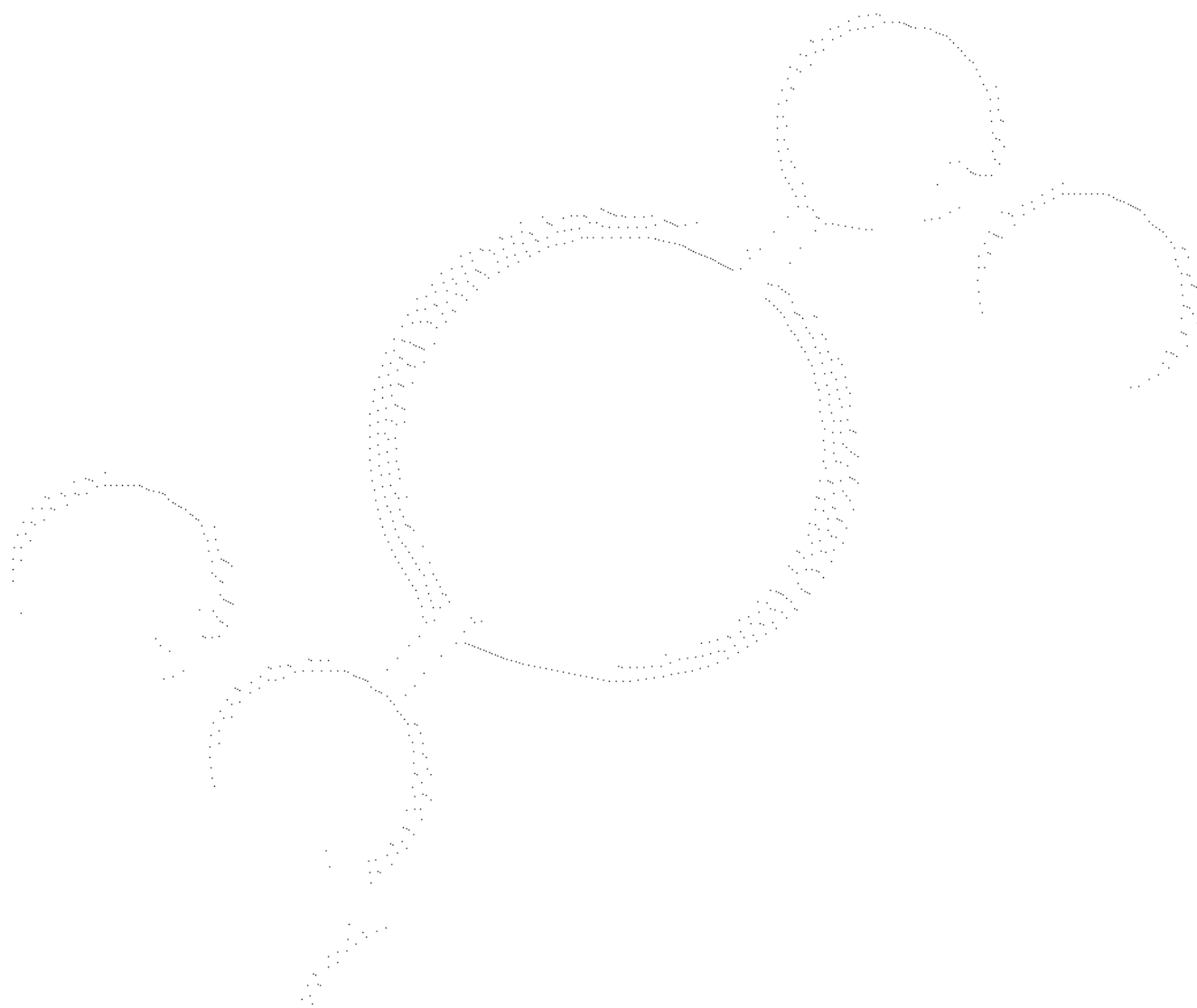
Whilst the carrying value of the investment has been written down to zero, the Company continues to pursue options that may result in all or part of the outstanding debt owed under the Technical Services Agreement being recovered.

BY ORDER OF THE BOARD

Stephen J Brown
Company Secretary

For further information about EQiTX Limited visit www.eqitx.com or contact:

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