

19 October 2004

The Manager
Company Announcements
Australian Stock Exchange
4th Floor, 20 Bridge Street
Sydney 2000

Dear Sir

Re: Annual General Meeting Update for Shareholders

Director's provide the following update for shareholders and the market on the Company's current activities, prior to the Annual General Meeting being held later today.

Projects

ZingoTX Pty Ltd

EQiTX now has a 44.6% investment in ZingoTX Pty Ltd, which is developing novel drugs for the treatment of neuropathic pain and inflammatory diseases based on the Gingerols using intellectual property developed at the University of Sydney. Gingerols are new chemical compounds developed from the ginger plant which have shown promise in the treatment of both pain and inflammation.

In February this year the Gingerol Project successfully reached its first milestone, as a result of which EQiTX invested \$680,000 to increase its equity from 19.5% to 40.5%. Completion of the Milestone 1 studies allowed the selection of a number of lead compounds for the further evaluations required to achieve the second Milestone. Milestone 2 involved a medicinal chemistry programme and repeat testing in the relevant animal models. These studies focused primarily on neuropathic pain, a severe condition suffered by patients with a variety of common disorders including diabetes, cancer, stroke, multiple sclerosis and amputation.

In June 2004, EQiTX announced that preliminary research undertaken under the Milestone 2 activities indicated that the selected compounds appeared to decrease neuropathic pain after a single dose.

In July 2004, following assessment of these and other research results, EQiTX accelerated its investment in ZingoTX to further increase its equity stake to 44.6%. Advance payment of \$225,000 from the \$620,000 due on achievement of the third Milestone, enabled ZingoTX to fast track its development programs. Milestone 3 includes the final candidate testing in animals and these programs are currently underway.

VacTX Pty Ltd

VacTX Pty Ltd was established by EQiTX Ltd and the Cooperative Research Centre for Vaccine Technology (CRC-VT) in January 2004 to commercialise the patented synthetic lipopeptide vaccine technology discovered at the CRC-VT. VacTX's technology has the potential to produce purer, safer and more specific

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vaccines which can be delivered by inhalation or injection. Novel medicines based on the platform technology potentially have the capacity to prevent and treat conditions including infections, cancers, allergies, inflammatory and autoimmune diseases. Vaccines based upon this technology have the potential to successfully compete with therapeutic monoclonal antibodies and other therapies currently in use for the treatment of these chronic conditions, offering the advantages of greater patient safety and convenience at lower treatment costs.

VacTX holds the exclusive right to exploit the technology globally in all human fields of use. EQiTX will ultimately own 50.5% of the company for an investment of \$3.5 million over a 30-month period, the balance being held by the CRC-VT. EQiTX manages the company's activities based on an agreement with VacTX.

Since its formation, VacTX has established laboratories in the School of Microbiology & Immunology at the University of Melbourne. The laboratories are staffed by a team of experienced scientists engaged in the further development of the novel vaccine technology.

A commercialisation strategy has been developed and VacTX has been approached by a number of interested pharmaceutical and biotechnology companies to initiate discussions to explore partnering opportunities for commercialisation of the patented technology.

Validation of the technology's importance has been provided this week via the publication of our research findings that confirm the utility of the vaccine platform technology in the *Proceedings of the National Academy of Sciences USA (PNAS)*, one of the highest ranking science journals in the world.

The peer-reviewed manuscript presents evidence that the company's synthetic lipopeptide vaccine technology is effective in generating strong immune responses in a variety of animal models of human diseases. The published data support the development of VacTX's vaccine technology for use in preventing infectious diseases, in down-regulating hormones and in cancer, slowing or stopping the progression of existing tumours.

The company now has the strategy and development plans in place to accelerate the movement of VacTX vaccines to market.

Strengthening the Management Team

EQiTX has strengthened its senior management this year with a number of key appointments, in line with the company's strategy to accelerate the progress of the ZingoTX and VacTX projects. The success of our company depends on the calibre of our senior management team and we are pleased to advise that the management team is now fully in place. EQiTX has made the following appointments:

Chief Commercialisation Officer

In July, Joy Hewitt was appointed to this position. She has a wealth of experience in technology commercialisation through her previous business development roles at CSL and Amrad.

Chief Executive Officer

In September, Sue MacLeman was appointed CEO. Sue is well known in the Australian and international biotechnology and pharmaceutical industries, having

worked in product development and commercialisation roles at Amgen, Bristol-Myers Squibb, Schering Plough and most recently as Vice President of Molecular Diagnostic Imaging with Agenix Ltd.

Chief Operations Officer

Dr Nicholas Ede has been appointed to this position, effective from 18 October. Dr Ede has a strong background in drug discovery and design, having most recently been Head of Discovery Products at Mimotopes Pty Ltd in Melbourne. He has managed several drug discovery projects with international pharmaceutical companies including Janssen-Cilag, Novartis, Chiron, and GlaxoSmithKline.

The Board is particularly pleased that the above appointments were able to be made only after each of the applicants completed their own due diligence on the Company and its projects.

For and on behalf of the EQiTX Board

Sol Majteles Non Executive Chairman

About EQiTX Limited

EQiTX Limited (ASX:EQX) is a publicly listed Australian biotechnology company with interests in the areas of chronic diseases and age-related conditions. EQiTX is developing a portfolio of technologies to a stage where they will be of commercial interest to multinational pharmaceutical and biotechnology companies. The company's two main programs are the ZingoTX project to develop pharmacologically active compounds for pain management, and the VacTX project to develop and commercialise novel synthetic vaccines against a range of human conditions, including infectious diseases, cancer, allergies, inflammation and autoimmune diseases.

For further information visit www.eqitx.com or contact:

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