EQiTX

ASX/Media Release

ZingoTX Update

8 May 2006, Melbourne: The Board of Directors of EQiTX Limited (ASX: EQX) announced today that EQiTX and its subsidiary company ZingoTX Pty Ltd have agreed to cease development of the companies current lead compound (ZTX 50) targeting neuropathic and inflammatory pain. ZingoTX will now review its library of other pain relief Capsarol™ candidates to identify a new lead compound to move forward in development. ZingoTX and EQiTX will also evaluate pain consolidation opportunities within Australia.

ZTX 50 has been successfully progressing through formal preclinical /toxicology studies and showed efficacy in validated pain models. Similarly, ZTX 50 has been successfully manufactured to meet the Code of Good Manufacturing Practice standards. However, large scale manufacture could not be shown to be reliable and cost effective without additional investment. The EQiTX product development and commercialisation procedure is to assess the viability of scale-up manufacture early in drug development to maximise use of shareholders' funds.

"Whilst ZTX 50 shows promise, the product requires a commercial partner focused on the pain market delivering the expertise to further economically develop this product," said Wayne Millen, Chairman of EQiTX.

"This early decision enables funds to be diverted to drug candidates with much higher probabilities of being commercialised. The stage gate development system in place at EQiTX defines clear go/no go criteria. This enables us to make clear decisions regarding pipeline development programs and to promptly progress work on alternative candidates," said Sue MacLeman, CEO of EQiTX.

The development of ZTX 50 was supported by a $1.45 million Commercial Ready grant from AusIndustry. Support for the development of the new lead candidate will be reviewed with AusIndustry.

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About EQiTX (www.EQiTX.com)

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 immunotherapeutics against a range of human conditions, including infectious diseases, cancer, allergies and autoimmune diseases.

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