

NxGen NEWS

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► *NxGen Commences US Expansion*

SYDNEY, AUSTRALIA – 26th May 2009- NuSep (ASX: NSP) wishes to advise that NxGen has signed a heads of agreement to establish its US manufacturing and marketing facility.

This represents a major milestone in NxGen's US expansion plans. Full details of NxGen's US expansion plans can be found in NuSep prospectus dated 7 May 2009. This prospectus can be downloaded from NuSep's website at www.nusep.com. Please note that NuSep has extended the close off date for this prospectus to Friday 12th June 2009.

Under this Heads of Agreement a US based company will be established to produce and market NxGen's products

for the US market. The total cost of this business will be paid for by a US based investor. NxGen will receive a 20% carried investment in return for providing access to its intellectual property and product formulations. NxGen will also have the option to acquire up to 40% of this US Company over time.

The manufacturing will be conducted by a New York based custom pharmaceutical organisation called Masterpharm LLC. Masterpharm is an FDA approved (Clinical Trials) custom pharmaceutical organisation with 65m² of class 10 clean room manufacturing space.

As part of the expansion into the US market, NxGen will undertake a clinical

trial of its erectile dysfunction product. This clinical trial will be undertaken in Australia under TGA clinical study regulations and requirements.

Marketing will be undertaken by a specialised hospital marketing group. This marketing group currently supplies hospitals and a number of clinics throughout the US.

The establishment of this US based manufacturing and marketing company will enable NxGen to achieve its US market entry strategy outlined in the 7 May prospectus. As noted in the prospectus, this US expansion is projected to generate a profit of \$4.5m on sales of \$6.5m in the 2010 financial year.

► *NxGen Expansion to ASEAN Region*

In recognition of the burgeoning wellness boom in the 10 member countries of the Association of South-East Asian Nations, NxGen has sought out a partner in the region to service the inevitable explosion of preventative medicine services.

Based in Kuala Lumpur, the new venture will fall under the laws of the Malaysian government, whose pharmacy and pharmaceutical laws are not too dissimilar from those in Australia.

The new venture will service the nations of Malaysia, Indonesia, Singapore, Thailand, Vietnam, Cambodia, Philippines, Laos, Brunei, and Myanmar.

The intention of the new venture is to use current IP owned by NxGen to manufacture and sell Anti-ageing, wellness and preventive medicine products to this largely under-utilised market.

Many dealings over the years throughout the region mean that NxGen has

an intricate understanding of business in with the ASEAN countries, and contacts located throughout all areas at all levels of government and private enterprise pave the way for simple dealings reaping huge rewards.

The Kuala Lumpur-based laboratory will be finalised for production by mid-July.

► *NxGen Current Projects*

As one of the few contract R&D companies in Australia, we have carved ourselves a unique market niche where we are servicing many clients simultaneously, as well as developing our own unique Intellectual Property.

Of the NxGen projects, perhaps the most exciting is the implant technology that is matchless among the current technologies throughout the world. This technology will allow us to explore the area of controlled-release drugs, hormones and possibly even nutrients such as vitamins and minerals.

NxGen is also working with a major hospital to generate a customised solution for SSRI's. These anti-depressants have been shown to be far more effective when tailored to the individual patient. This opens avenues of genetic testing and evaluation to NxGen.

Externally, NxGen contracts its services to major players in the Veterinary industry, as well as developing cosmeceuticals, sunscreens, and niche medications such as pain and cold and flu tablets.

As of the month of June, 2009, NxGen currently has:

- 53 active development projects
- 77 Contract manufacture products
- 120 completed projects (since November 2007)



► *Naltrexone Implant Technology: a leader in the fight against drug and alcohol abuse*

NxGen Pharmaceuticals has recently released the data on the world's first 6-month naltrexone implant, used to combat addiction to drugs and alcohol.

While other implants of this nature exist, the next best longevity of implants currently on the market is around half that time.

Medical literature about Naltrexone shows higher success rates with approximately 12 months of treatment. The NxGen-developed implant allows for greater compliance among a largely uncompliant population of patients.

The implant is currently undergoing

Phase 1 Clinical Trials in a Melbourne Hospital.

Phase 1 Clinicals achieve 2 goals simultaneously:

- 1) They tell us if the product is working.
- 2) They provide us with a data package that will be used for product registration with the TGA.

Some facts about alcohol abuse in Australia:

- Alcohol misuse costs the Australian community \$15.3 billion each year when factors such as crime and violence, treatment costs, loss of produc-

tivity and premature death were taken into account.¹

- 51% of alcohol consumed is drunk at levels that pose a risk of short term harm.²
- Over 3,000 Australians die each year as a result of harmful drinking.³
- Over 450,000 children (13.2%) live in households where they are at risk of exposure to binge drinking by at least one adult.⁴

Once registration is achieved, the door will be opened for NxGen to be able to supply doctors and hospitals both in Australia and world-wide with this innovative product.

“... NxGen-developed implant allows for greater compliance among a largely uncompliant population of patients.”





“... produce a shorter onset time and longer duration of anaesthesia.”

► Local Anaesthetic: breakthrough in product stability

In the latest breakthrough for our Topical Local Anaesthetic, NxGen is currently awaiting the final stability phase of the product, designed for use as pre-injection treatment for children.

An innovation in the delivery of local anaesthetics, this product makes use of a novel delivery system to carry local anaesthetic molecules over the skin barrier. The formula uses a unique mix of local anaesthetics to produce a shorter onset time and longer duration of anaesthesia.



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