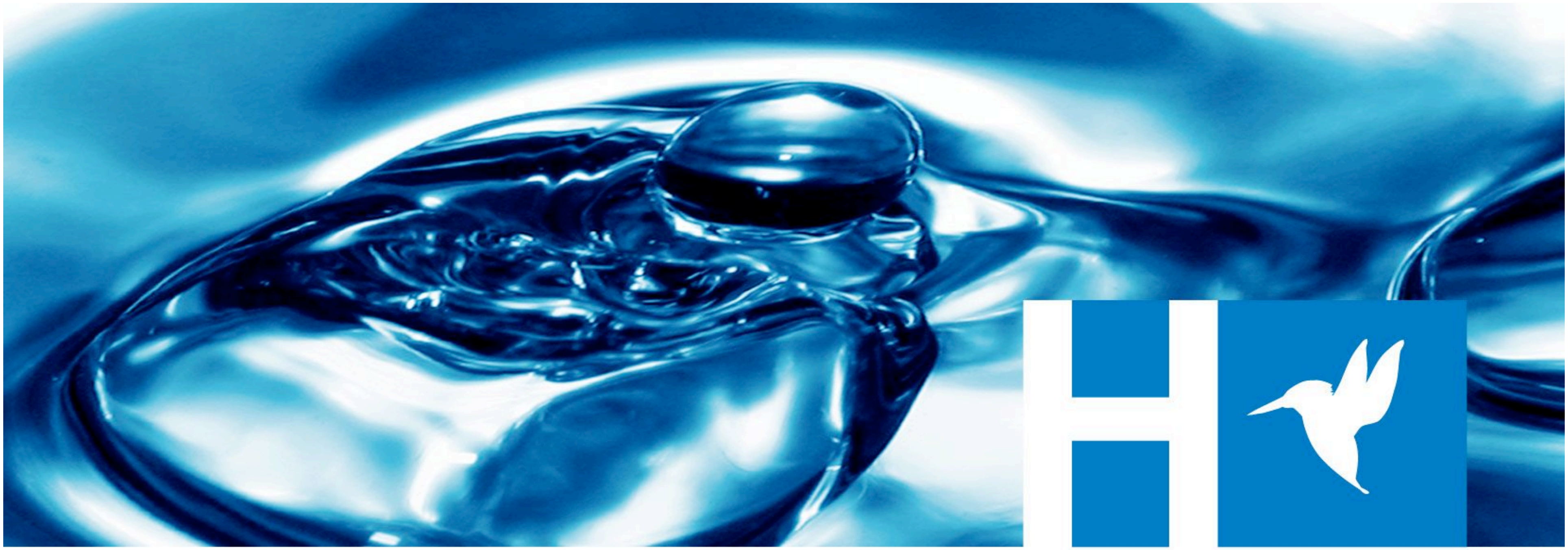

HALCYGEN
PHARMACEUTICALS

Capitalising on Pharmaceutical Opportunity

ASX CODE: HGN

A License-Based Partnership with Mayne Pharma / Hospira Inc.

Presentation August 2007

SuperGenerics – Next generation pharmaceuticals based on proprietary improvements of existing drugs

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Company Highlights

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- Successful completion of a fully underwritten IPO in June 2007 by Tolhurst Limited, raising $12.5 million in an oversubscribed offering – cash in bank currently in excess of $14.00 Million

- Two global exclusive license agreements with Mayne Pharma International (whose parent company, Mayne Pharma Limited was acquired by Hospira, Inc in February 2007), providing rights to two proprietary SuperGeneric drugs (SUBA-Itraconazole and Minocycline)

- Successful completion of drug dosing in two dose-ranging, pharmacokinetic studies in man for determining drug doses of SUBA-Itraconazole for registration purposes

- Regulatory preparation for pivotal phase III registration study

- Negotiating a third licensing agreement with Mayne Pharma International

- Initiation of licensing discussion with global marketing partners for SUBA-Itraconazole

- Products target global markets in excess of $4.0 billion

The Foundations

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- Mayne refocus into oncology in 2005 and sought to divest non core products
- Capitalising on historic investment by Mayne/Hospira
- Exclusive Global Licenses with First Right to Mayne/Hospira for marketing in Australia & NZ
- Option for Manufacture by Mayne/Hospira - Salisbury SA
- Intellectual Property in the form of patents (granted USA, Australia, in prosecution elsewhere)

SuperGenerics

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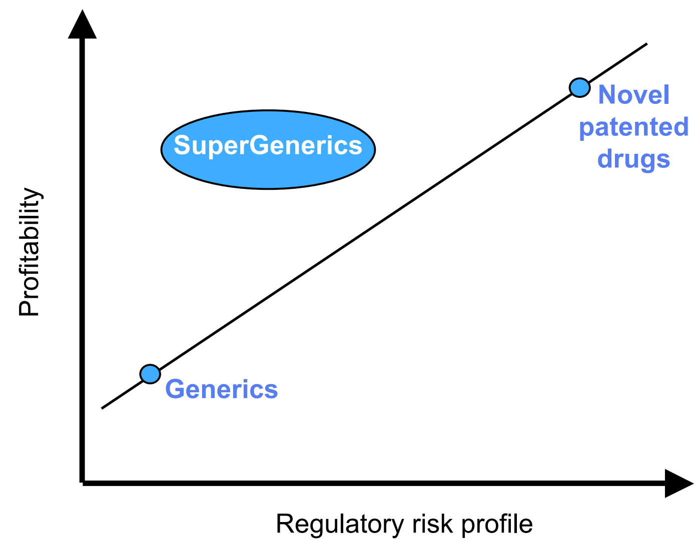
HalcyGen's Minocycline and Itraconazole re-formulations are potential "Improved Chemical Entities" or "SuperGenerics"

Next generation of existing drugs – improved formulations

- Renewed patent protection
- Faster regulatory approval
- Improved efficacy
- Lower drug dosage
- Improved safety
- Patient compliance
- Command pricing premium
- Increased market size



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Pharmaceutical Industry Profile

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GENERICS

Identical Drug Copies

2-4 years for registration

SUPER GENERICS

Novel Proprietary Modifications of Generics

3-4 years for registration

PROPRIETARY PHARMACEUTICALS

Novel Patented Pharmaceuticals

10-12 years for registration

Typical Product Pricing:

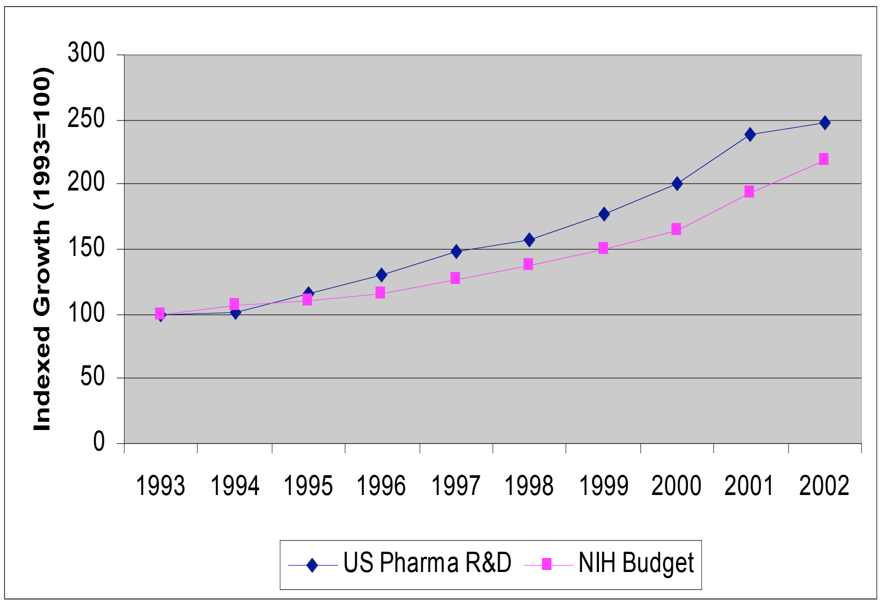
$ $5-$50

$ $50-$500

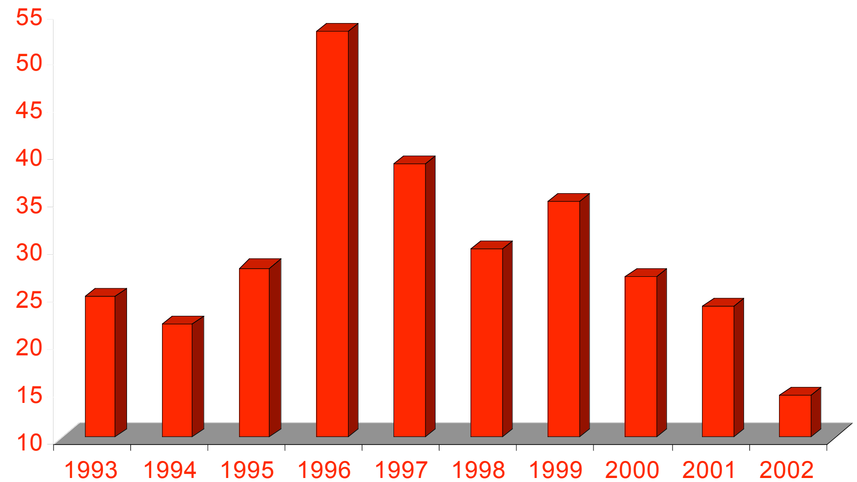
$ $500-$50,000

The Pharma Industry Problem: More spending, but less new drugs

10 Year Trends in US Biomedical Research Spending



10 Year Trends in Number of Approvals of New Molecular Entities by US FDA



PAREXEL's Pharmaceutical R&D Statistical Sourcebook 2002/2003

Example of Life-Cycle Management

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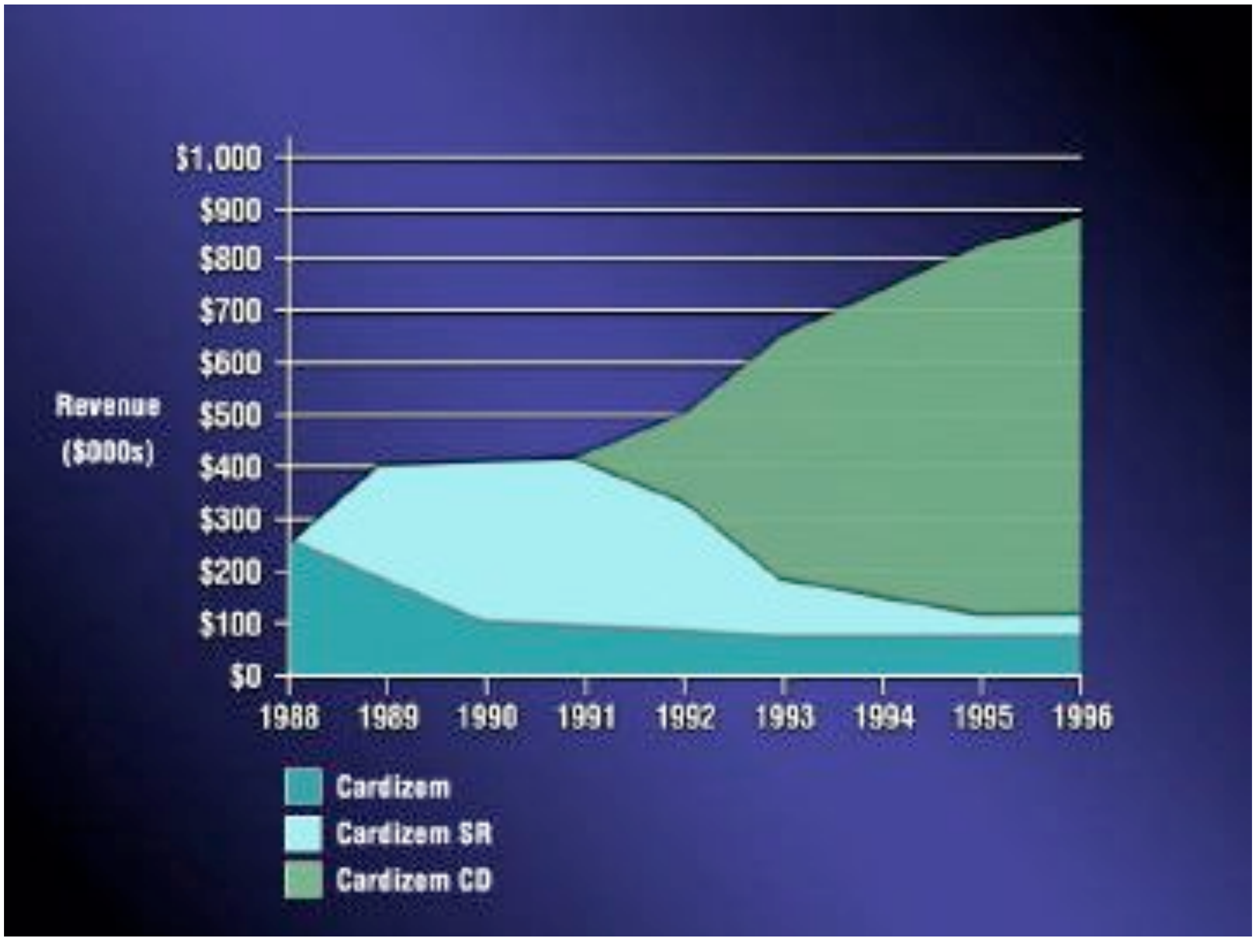

HalcyGen's Portfolio: Closer to the finish line

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STAGE	ACTIVITY	NO. OF SURVIVING COMPOUNDS
Basic Research	Screening Synthesis	3,000 – 10,000
Preclinical Testing	DMPK,Safety Chemistry	10 - 20
Phase I	Safety/Tolerance PK	5 - 10
Phase II	POC, Dose Response	2 - 5
Phase III	Pivotal Efficacy-Safety	2
Market Launch FDA Review	Post-Marketing Surveillance	1

HalcyGen's expected program:

Minocycline in Phase II/III 2008/2009 (Phase II)

SUBA-Itraconazole in Phase III 2007/2008 (Phase III)

Source: PhRMA analysis of Tufts CSDD database

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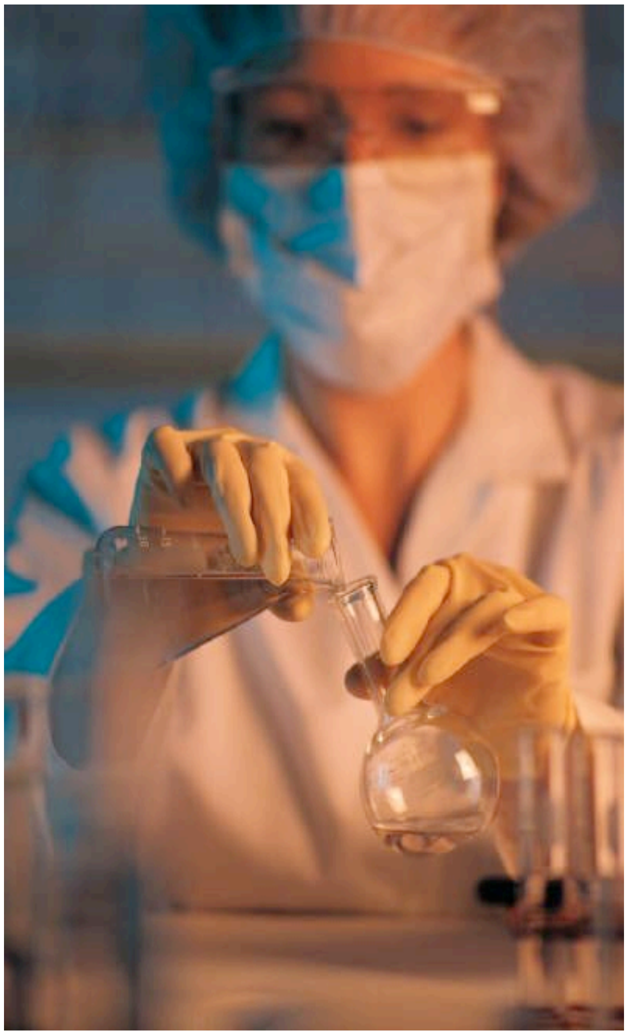
Our Products



Initial Products and current Market Sales

- Minocycline - US$406,382,000*
- SUBA-Itraconazole - US$630,000,000*
- Third product under discussion
  (Source Verispan)

It is estimated that greater demand and an increased number of generic drugs should help the international generics retail market grow from $58 billion in 2004 to $93 billion in 2009.

(Source: Sandoz International)

*Improved formulations would target these markets

SUBA-Itraconazole

ANTIFUNGAL AGENTS

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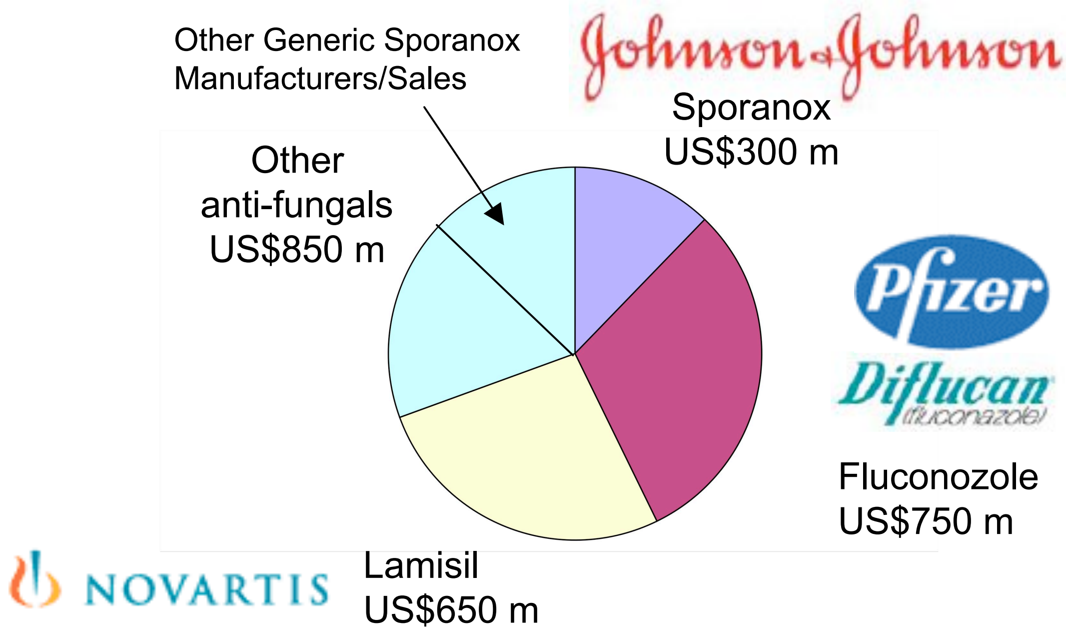
- Broad spectrum anti-fungal agent
  - Reduced dosage formulation identified and patented by Mayne/Hospira

- Total market size for anti-fungals >US$2.5 Billion



SUBA-Itraconazole Commercial Opportunity

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Problem	Regular versions of itraconazole	HalcyGen's SUBA-itraconazole
Safety / toxicology	Mild side effects Diarrhea, constipation, stomach pain, heartburn, sores in gums/ mouth, headache, dizziness, sweating, muscle pain, decreased sexual desire or ability, nervousness, depression, cold-like symptoms. Serious side effects Excessive tiredness, loss of appetite, upset stomach, vomiting, numbness of the hands / feet, fever, chills, frequent/painful urination, shaking, rash, hives, itching, difficulty breathing or swallowing.	Improved formulation expected to be administered at **50% of the dose** currently prescribed in the market – this means **improved safety and toxicology**.
Patient compliance	Must be taken on a full stomach, but patients are often too sick to eat. The drug itself can be very unpleasant to ingest and can also cause nausea.	SUBA-Itraconazole expected to be able to be taken on a **full or empty stomach** (very important in cancer patients and very sick individuals).

A Picture is Worth A Lot

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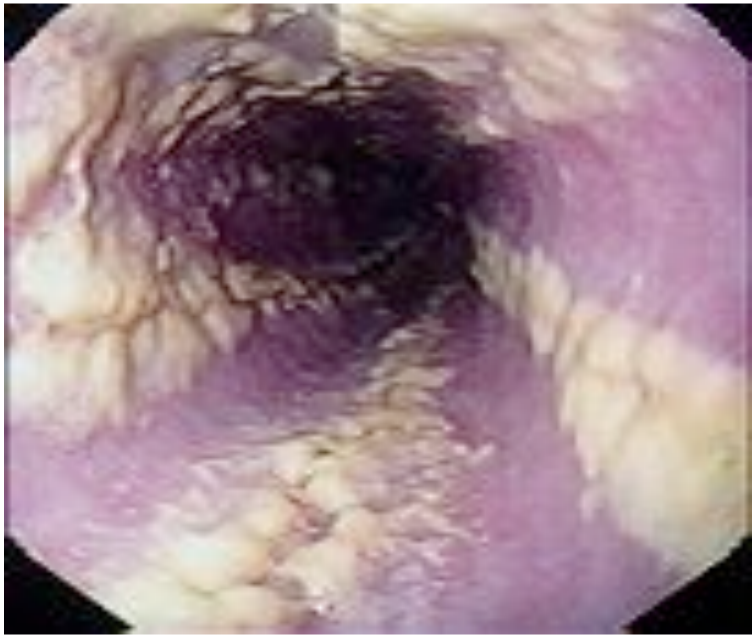
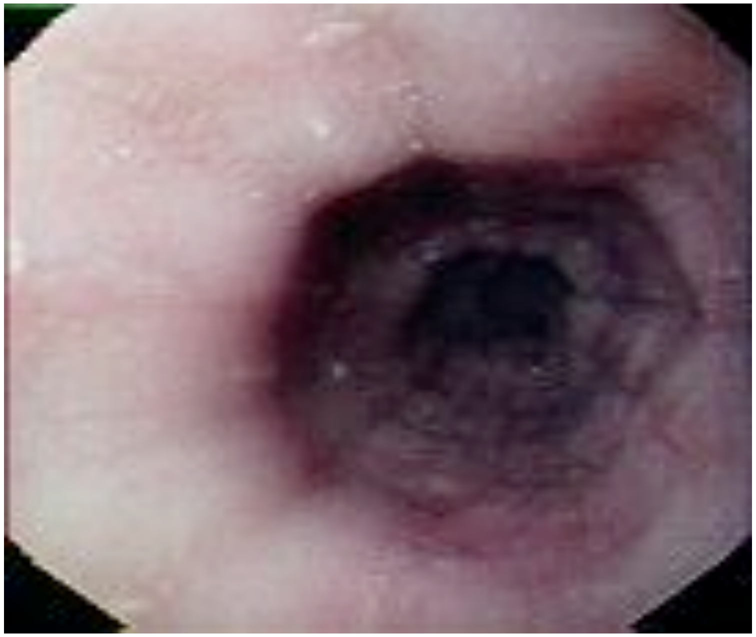
This AIDS patient failed *everything*: fluconazole, (lipid) amphotericin B. The only thing that helped even a little was chewing itraconazole capsules.

Oesophageal Candiditis



Before



After

Itraconazole Commercial Opportunity

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HalcyGen's lower dose formulation is targeted towards a 2-stage registration process:

1. Registration of improved **oral dosage form**
   - Phase III 2007/2008
   - Registration 2008
   - Improved oral dose (with or without food) - better compliance/safety
2. Registration of **safer drug form**
   - Lower gastrointestinal side effects
   - Particular application to oncology, AIDS and elderly
   - Launch 2010

- Mayne/Hospira conducted three clinical studies to date.

Minocycline

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- Broad spectrum tetracycline antibiotic
  - Variety of infections
  - Orally active
  - New formulation will alleviate side effects
  - Phase II in 2008/2009
  - Early licensing being explored
- Patients who experience CNS symptoms while receiving Minocycline should be cautioned about driving or operating hazardous machinery
- Dizziness, headache and vertigo have been rarely reported with other tetracycline derivatives
- Mayne formulation should circumvent CNS problems
- Licensing Opportunity with major pharma initiated

Work program

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SUBA-Itraconazole

• Further pharmacokinetic analysis	mid 2007
• Dialogue with regulatory agencies	mid 2007
• Clinical exhibit manufacture	mid 2007
• Phase III pivotal study	late 07 – early 2008
• Filing for registration	2008
• Licence partner	2008
• Launch	2008/2009

Minocycline

• Further pharmacokinetic analysis	late 2007
• Phase IIB clinical trials	2008 / 2009
• Manufacture exhibit batches	2008
• Regulatory submission	2009
• Licence Partner	2008/2009
• Launch	2010

Development timeline

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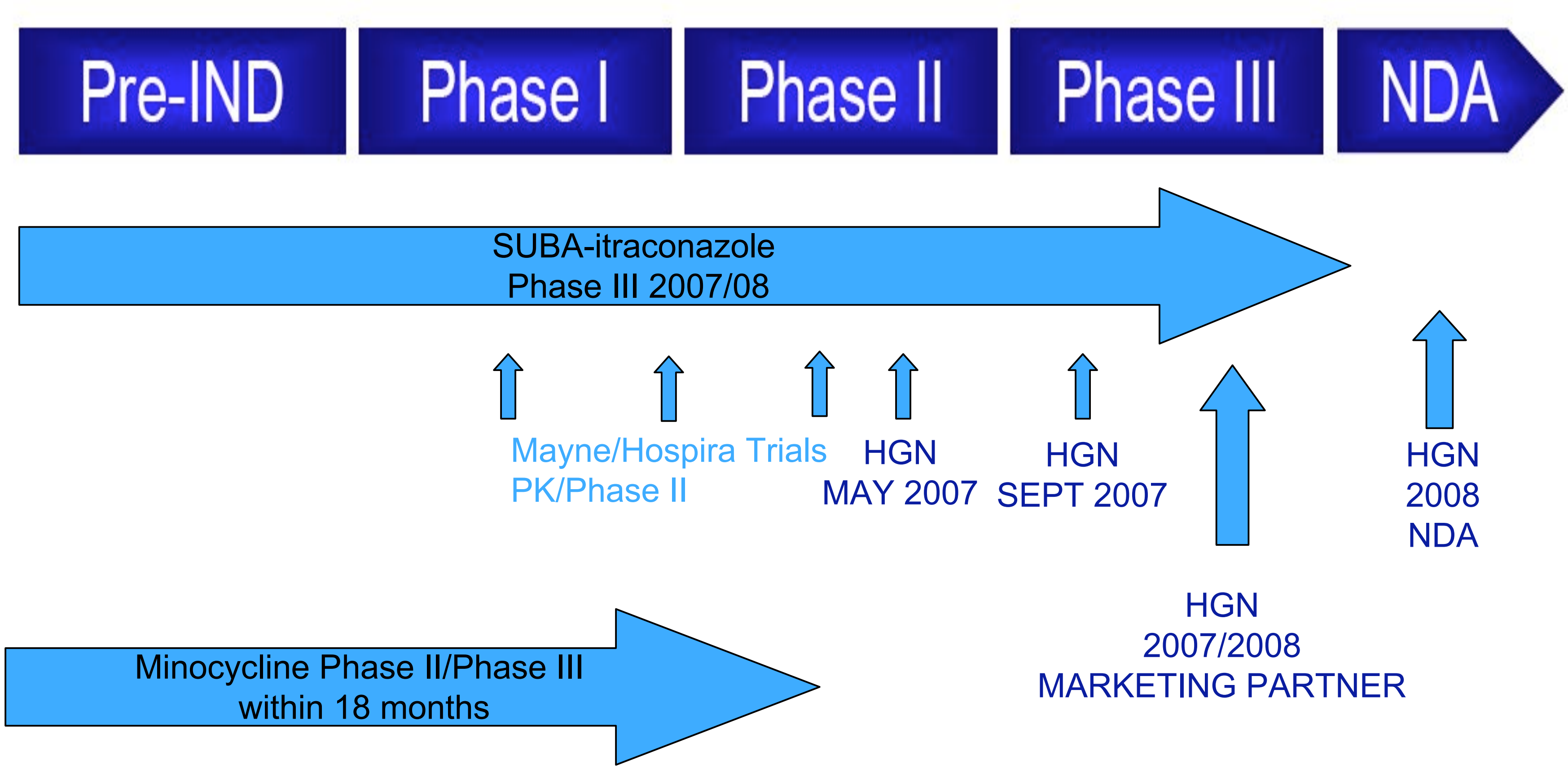

Intellectual Property

1. Global Exclusive Licenses to Itraconazole formulations and Improved Gastrointestinal Absorption (Mayne Pharma International)
   - (Patents granted in USA and Australia pending in EU and Japan)

2. Global Exclusive License on Minocycline Formulations for better PK levels (Mayne Pharma International)
   - (Patents granted in USA and Australia, pending in EU and Japan)

Board and Management

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Dr Roger Aston **Chairman & CEO**	• 20 years' experience in pharmaceutical and biotechnology industries • Previously with Welcome plc (now GSK), Peptech Ltd (former CEO), Cambridge Antibody Technology, Cambridge Drug Discovery, QinetiQ and pSivida Ltd (co-founder) • Chairman of Clinuvel Pharmaceuticals Ltd
Mr Craig Bottomley **Chief Operating Officer**	• 20 years' experience in establishing and developing commercial ventures. • Regions of activity included; United States of America, United Kingdom, Hong Kong, Singapore, Australia and New Zealand
Mr Bruce Mathieson **Non-executive Director**	• Director and CEO of Australian Leisure and Hospitality Group Ltd (joint venture with Woolworths Ltd) • ALH Group: 260 hotels, 450 retail outlets, turnover $1.6 billion; 14,000 staff • Management and transactional experience across many industries
Hon. Ron Best **Non-executive Director**	• Board member Victorian Health Promotion Foundation and National Party Spokesperson on Health • Former member of the Victorian Parliament from 1988-2002 • Consultant for PFD Food Services Pty Ltd
Mr Aaron Finlay **Company Secretary & CFO**	• Company secretary for pSivida Ltd • Former CFO of INVESCO Australia • Formerly with PwC in London and Perth

Capital Structure

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Shares	Number
Shares currently on issue	51,099,000
Shares offered pursuant to IPO @50¢	25,000,000
Total Shares on issue post IPO	**76,099,000**

Options	
Options currently on issue	6,250,000
Options offered pursuant to IPO	Nil
Total Options on issue post IPO	**6,250,000**

Cash at Bank: $14 million

42,987,800 shares will be subject to escrow. All options will be subject to escrow. Free float 44%.

Summary

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- Super-Generics – Pricing premium opportunity but with lower risk profile of generics
- Exclusive worldwide license from Mayne Pharma for SUBA-Itraconazole and Minocycline (anti-infective drugs)
- Mayne to undertake development and manufacture
- One of few Australian companies with a drug in Phase III trials 2007 (SUBA-Itraconazole)
- Regulatory filing for SUBA-Itraconazole targeted for 2008
- Seeking marketing partner for SUBA-itraconazole
- Minocycline in Phase II 2008/2009
- Third product under negotiation with Mayne

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www.halcygen.com

App 1: Mayne Pharma/Hospira

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Hospira at a glance:

- 70 years in the business
- HQ - Forest, Illinois
- 13,000 employees
- 14 manufacturing sites
- Generic acute care specialists
- Acquisition of Mayne creates the largest generics injectables company in the world
- www.hospira.com

Hospira

Mayne at a glance:

- Acquired Fauldings some years ago
- Focus on oncology solutions
- 3 manufacturing sites
- Bid by Hospira valued at A$2.6B
- Distribution in 65 countries
- Sales in 2005 were $687M
- www.maynepharma.com

mayne

App 2: Escrow

Shareholder type	# of securities held	% subject to escrow	Period of escrow	Average amount paid on issue
Directors and Co Sec	15,035,000 Shares	100%	24 months from IPO	$0.024
Directors and Co Sec	6,250,000 Options	100%	24 months from IPO	Nil
Founders	6,000,000 Shares	100%	24 months from IPO	$0.001
Other Initial Investors	1,400,000 Shares	100%	12 months from IPO	$0.001
Morgrae Pty Ltd	3,000,000 Shares	See below	See below	$0.068
Other	25,204,000 Shares	70%	12 months from 18 Sept 2006	$0.15

Period of escrow	No of Shares
24 months from IPO	22,295,000 Shares
12 months from IPO	1,400,000 Shares
12 months from 18 February 2007	1,600,000 Shares
12 months from 18 Sept 2006	17,782,800 Shares
Nil	8,021,200 Shares
TOTAL	**51,099,000 Shares**

42,987,800 shares will be subject to escrow. All options will be subject to escrow.

Morgrae Pty Ltd has entered into an escrow agreement with HalcyGen, under which:

- 1,260,000 shares are escrowed for 24 months from IPO;
- 1,600,000 shares are escrowed for 12 months from when they were issued (being 18 February 2007); and
- 140,000 Shares are escrowed for 12 months from when they were issued (being 18 September 2006).

Morgrae Pty Ltd holds a further 460,000 Shares which are not subject to any escrow period.