PharmAust LIMITED

15 July 2005

The Manager
Company Announcements
Australian Stock Exchange Limited
Via Electronic Lodgement

Dear Sir/Madam

Investment in Intellectual Property Development

PharmAust Limited (ASX: PAA) is pleased to announce it has made an investment in specialist chemistry company Advanced Molecular Technologies Pty Ltd (AMT).

In return for PharmAust Group companies providing AMT with facilities and in-kind support over a four year period PharmAust Limited will receive a 15% equity stake in AMT.

AMT is focussed on the development and commercialisation of new Intellectual Property and products mainly in organosilicons and bioactive nucleoside analogs.

AMT Managing Director Dr Seb Marcuccio has extensive experience in pharmaceutical drug discovery and leadership of complex organic chemistry based research projects. Dr Marcuccio has a successful record of developing, patenting and commercialising chemistry based projects.

AMT and PharmAust subsidiary Epichem have also agreed to establish a joint product sales catalogue. The catalogue will draw initially from the wide range of products both companies already have the ability to produce, with revenues expected to increase as products are added.

AMT and Epichem already have a strong working relationship and investment by the PharmAust Group in AMT will act to further strengthen the relationship. Epichem and AMT intend to fully exploit the opportunities and synergies that will be created through the more effective joint use of resources and the co-development of some projects.

AMT will be located at PharmAust subsidiary Mimotopes' world-class facility in Victoria where, chemistry, administrative and management services will be provided as reasonably required. The AMT Board will include a representative from PharmAust.

Winton Willesee
Company Secretary
PharmAust Limited