ANTISENSE THERAPEUTICS

AUSTRALIAN STOCK EXCHANGE
ANP000036

14 February 2003

The Companies Section
The Australian Stock Exchange Limited
530 Collins Street
MELBOURNE VIC 3000

VIA FACSIMILE NO. 1300 300 021

No of Pages: 5

Dear Sir/Madam

Re: Antisense Therapeutics Limited: Investor Update – February 2003

Please find enclosed Antisense Therapeutics Limited's Investor Update.

Yours sincerely

N. Korchev

Natalie Korchev
Company Secretary

Please Note: The new contact numbers for Antisense Therapeutics are now:
Phone: 9827 8999 Fax: 9827 1166

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LEVEL 1, 10 WALLACE AVENUE TOORAK VICTORIA 3142 AUSTRALIA
TELEPHONE: +61 (3) 9826 0949 FACSIMILE: +61 (3) 9826 4399
ANTISENSE THERAPEUTICS LTD ACN 095 060 745 www.antisense.com.au

NEWS

ANTISENSE THERAPEUTICS LIMITED INVESTOR UPDATE

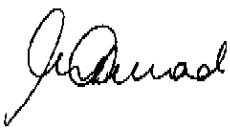
February 2003

Dear Investor

I am pleased to report that Antisense Therapeutics Limited (ATL) has made substantial progress since the June 2002 Investor Update. The highlights described in this edition of Investor Update include:

- the successful completion of a package of pre-clinical animal trials of ATL's drug for the treatment of multiple sclerosis, ATL1102;
- confirmation of the site for Phase I clinical trials of ATL1102 and receipt of approval on 4 Feburary 2003 to conduct this trial;
- completion of manufacture of ATL1102 for use in Phase I and later clinical trials;
- ATL1101 lead compound for psoriasis selected in Q3 2002, on schedule; and
- successful raising of $4.5 million in an oversubscribed shares offer.

And finally, our strategic partner, Isis Pharmaceuticals Inc announces important advances in the field of antisense therapeutics.



Mark Diamond, CEO

ATL1102 for the treatment of Multiple Sclerosis

Development Status

In October 2002 ATL announced the successful completion of a package of pre-clinical (animal) studies, which has enabled ATL to progress arrangements to start Phase I clinical trials of its product ATL1102 for multiple sclerosis ('MS').

The results of the studies on the safety and properties of ATL1102 administered to animals have demonstrated the exciting prospect of dosing human subjects as infrequently as once a week or less frequently, the likelihood of which will be determined in the Phase I clinical trials.

In December 2002, ATL applied to the Charterhouse Clinical Research Unit at the Stamford Hospital in London ("Charterhouse") to conduct the Phase I clinical trial to assess the safety and behaviour (pharmacokinetics) of ATL1102 in human volunteers. On 4 February 2003, approval was received from Charterhouse to conduct this Phase I study.

The Phase I trial is expected to commence on schedule in March 2003.

Manufacturing Status

The production of injectable formulations of ATL1102 suitable for use in Phase I clinical trials was contracted out to a US company.

Four formulations are now ready for use in the trial comprising two different concentrations of the antisense drug ATL1102 and two preparations of matching placebo, which have the same basic composition

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but lack the active compound, ATL1102.

The final steps before shipping the formulations to London for the conduct of the Phase I study are quality testing and assessment of the stability of the preparations which are currently under way at a contract organisation in the USA.

Quality testing involves evaluation of the formulated product to ensure it meets the product specifications and stability testing is important to establish a shelf life of the formulated drug.

Outlook
Upon the successful completion of the Phase I trial, it is anticipated that an application will be made in 2004 for a Phase IIa trial to assess preliminary efficacy in patients with MS.

About Multiple Sclerosis and ATL1102
Multiple Sclerosis (MS) is a life-long chronic, incurable disease, which progressively destroys the central nervous system, commonly diagnosed between the ages of 20 and 40 years.

MS affects about 350,000 people in the US where the estimated annual cost of the disease is more than US$2.5 billion. Although current treatments are unable to slow disease progression, the aims of therapy are to reduce the duration, frequency and severity of attacks.

ATL1102 is a drug under development by ATL, which aims to prevent the synthesis of a protein called VLA-4 known to play a part in both the onset and progression of MS.

ATL1101 for the treatment of Psoriasis

Development Status
ATL1101 is being developed by ATL in collaboration with research partner the Murdoch Childrens Research Institute. The ATL1101 lead compound was selected in the third quarter of 2002 on schedule and in line with forecasts made in ATL's 30 June 2002 annual report. Pre-clinical efficacy studies are currently underway.

A topical formulation containing ATL1101 has been prepared for this lead compound using Isis Pharmaceuticals, Inc proprietary formulation expertise for use in pre-clinical studies.

Outlook
Upon the successful completion of the pre-clinical efficacy studies, ALT1101 will be poised to enter the next stage of pre-clinical toxicology studies. These toxicology studies are anticipated to commence during 2004.

About Psoriasis and ATL1101
Psoriasis is a chronic, non-contagious skin disorder, which affects 2% of the population.

Although the worldwide market for Psoriasis treatments was more than US$500 million in 2000 and is forecast to exceed US$2 billion by 2007 (Frost & Sullivan), there is an acknowledged need for more effective and safer treatments than those currently available.

ATL's candidate for Psoriasis treatment is ATL1101, an antisense compound designed to block the production of a protein involved in the regulation of cell growth in Psoriasis.

Other Projects

ATL has several other antisense projects in its research portfolio including compounds directed at treating gastrointestinal, cardio-vascular, inflammatory, immune and viral diseases and growth disorders. ATL intends to announce details of the specific disease indications together with the lead compounds upon successful completion of pilot animal studies and once the relevant patent applications have been lodged.

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Development Status & Outlook
Six lead antisense compounds have been produced for ATL since its listing in December 2001 for disease targets relevant to the treatment of viral, skin, growth and inflammatory disorders. Pilot efficacy studies in animals are underway for two of these compounds.

Additional pilot efficacy studies are expected to be completed by the end of the 2003 financial year. A select number of successful candidates may then be progressed into formal pre-clinical development including animal toxicology studies.

Recent Shares Offer

At the time ATL listed on the ASX (December 2001), the prospectus indicated that total proceeds raised of $13.6 million would be sufficient to fund the Company's activities until early 2003, at which point ATL's candidate drug for the treatment of Multiple Sclerosis, ATL1102, would reach the stage of Phase I clinical trials and ATL1101 for the treatment of Psoriasis would enter pre-clincal testing.

As previously announced, ATL is on track and on budget to meet these milestones.

In December 2002, ATL successfully raised additional capital of $4.5 million (with the issue of 60,275,268 shares), in an oversubscribed offer, for the purpose of funding the next stage in the development of these key lead compounds and to progress the pipeline. This share issue was approved by shareholders of the company at a general meeting.

Queensland Investment Corporation, an active institutional investor in the biotechnology sector, became a substantial shareholder of the company with the acquisition of 14 million shares in the share placement for $1.05 million giving it a 5.1% interest in the company.

Other major partipants in the issue were existing shareholders Circadian Technologies Limited and Isis Pharmaceuticals Inc who were issued 10,333,333 shares for $775,000 each. Circadian's and Isis's interests in the company are now 23.5% and 14.6% respectively.

What are the Steps in drug testing?

1. Pre-clinical trials

These are performed in animal models to test toxicity and efficacy of the drug and properties related to its uptake, distribution and metabolism. The outcomes of pre-clinical testing determine whether clinical trials will proceed and also influence the conditions selected for clinical trials.

2. Clinical trials

All clinical trials involve testing on humans whose participation is voluntary.

There are three levels:

Phase I – a relatively small number of healthy volunteers is treated to test the safety of a new drug.

Phase II – selected patients showing a number of common features, such as age, sex and severity of the disease participate in trials to establish the effectiveness of the drug.

Phase III – large numbers of patients from the 'clinical setting' who are widely representative of the patient population are enrolled in the trial. Patients come from all walks of life, often from a number of participating centres.

The aim of Phase III trials is to determine whether a new treatment is any better than the standard treatment in a direct comparison of the two.

ANNOUNCEMENTS FROM ISIS SPELL GOOD NEWS FOR ANTISENSE-BASED DRUGS

Successful tests on a new oral formulation of Isis anti-inflammatory drug

Until recently, antisense inhibitors, similar to most biologically dervied medicines, could not be delivered orally in the form of a tablet, capsule or powder.

Recognising the benefits of delivering drugs in this convenient form, Isis has committed considerable resources to producing a new, second generation of antisense formulations that can be administered orally, making them more acceptable to patients than an injectable treatment.

In November 2002, Isis announced the successful completion of a Phase I study of its capsule form of an anti-inflammatory antisense drug. The plasma concentrations reached by the drug were indicative of tissue concentrations being high enough to produce a therapeutic benefit.

This study is a watershed not only for being the first antisense research program to overcome what was thought to be a significant technical hurdle, but also for dramatically broadening the therapeutic and commerical potential for antisense compounds.

The data indicate that other second generation compounds have the potential for oral administration, which obviously would provide a significant advantage over other types of administration. We will pursue an oral dosage form as development of ATL1102 progresses.

Treatment Groups from a Phase III trial of an anti-cancer drug about to be revealed

The Isis investigational anti-cancer drug Affinitac™ (a trademark of Eli Lilly) is the subject of two Phase III trials for the treatment of non-small lung cancer. One of these involves a comparison of Affinitac™ with two treatments currently in use, carboplatin and paclitaxel.

Isis has announced that the findings from this trial will be analysed in March.

Positive results will provide the basis for a new drug application (NDA) to the US Regulatory Agency: Food and Drug Administration. An announcement of the successful completion of this pivotal study should have a significant positive impact across the

About Antisense Therapeutics

Antisense Therapeutics Ltd is an Australian publicly listed (ASX: ANP) biopharmaceutical drug discovery and development company.

ATL's mission is to create, develop and commercialise novel antisense pharmaceuticals for large unmet markets. Its two most advanced projects target Multiple Sclerosis (ATL1102), and Psoriasis (ATL1101).

The Company's access to these projects is derived from its technology and research collaborations with Isis Pharmaceuticals Inc. and the Murdoch Childrens Research Institute. California-based Isis is a world leader in the field of antisense drug technology and has a market capitalisation of approximately US$276 million.

The collaboration agreement with Isis provides ATL with extensive access to Isis's antisense drug discovery technology of relevance to the treatment of viral, skin, growth and inflammatory disorders. ATL plans to commercialise its pipeline via licensing/collaboration agreements with major biotechnology and pharmaceutical companies.

ATL's major shareholders include Circadian Technologies Limited (ASX: CIR), Isis Pharmaceuticals Inc. (NASDAQ: ISIS), Queensland Investment Corporation and the Murdoch Childrens Research Institute.

Contact Information: Website: www.antisense.com.au
Managing Director - Mark Diamond +61 3 9827 8999
Investor Relations - Natalie Korchev +61 3 9827 8999