



ANTISENSE THERAPEUTICS

24 July 2003

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

Dear Sir/Madam

Antisense Therapeutics to Initiate “Proof of Concept” Study for Psoriasis Project

Progress to Date

Antisense Therapeutics has recently made a series of important announcements with respect to the progress of its psoriasis project (ATL1101):

- In May this year the company announced the approval of a \$1.1 million Commonwealth Government Start Grant to assist the company to develop its psoriasis treatment.
- In June, the company announced the achievement of a significant milestone with the demonstration that a cream containing ATL1101 can penetrate human psoriasis skin biopsies in the laboratory and silence the target gene IGF-1r (which is a receptor protein found in excessive amounts in actively dividing cells of psoriatic skin). This laboratory result provided us with increased confidence that ATL1101 may be effective as a topical cream formulation to treat psoriasis.

“Proof of Concept” Study

The company is now pleased to advise that it will undertake an important “proof of concept” study which is an accelerated path to testing the activity of ATL1101 in humans suffering from psoriasis.

In this “proof of concept” study, also referred to as the *Small Plaque Assay (SPA)*, ATL1101 will be topically applied to a limited number of patients in relatively small quantities to defined areas of psoriatic skin. The SPA is designed to carefully monitor and also restrict the extent of patients’ exposure to the test compound.

Typically a drug’s activity is not established until completion of Phase II clinical trials. However, a “proof of concept” study can be undertaken relatively inexpensively for a disease such as psoriasis (unlike for many other diseases), which will provide early evidence of the effectiveness of ATL1101. While the SPA will not replace the requirement to undertake formal (Phase I, II and III) human clinical trials, if early indications of the drug’s effectiveness are shown, the company will have:

- increased confidence in the prospects for successful commercial development of ATL1101;
- and
- excellent data to pursue potential early partnering opportunities.

Timing of Study

Planning of the SPA is well advanced with the identification of the manufacturer of ATL1101, and selection of the contract research organisation to conduct the SPA.

The manufacture of the drug product and the required precursory toxicology program are expected to be completed in the first half of 2004, after which an application for approval to commence the study may be submitted. Once this approval is received, the "proof of concept" study in psoriasis patients should commence in mid to late 2004.

Background Information

Psoriasis is a chronic, non-contagious skin disorder, which affects 2% of the population. While the precise cause of psoriasis is unknown, it is thought to be triggered by an immune system defect leading to excessive skin cell division. The worldwide market for psoriasis treatments was more than US\$500 million in 2000 and there is an acknowledged unmet medical need for more effective and safer treatments. The market is forecast to grow to beyond US\$2 billion with the emergence of new

Antisense drugs are synthetic, DNA-like compounds designed for use as medicines, which block disease processes with extraordinary precision. Unlike conventional small-molecule medicines, the discovery of which requires time-consuming and laborious trial-and-error, antisense medicines are rationally designed by directly exploiting the huge body of genetic information now available from the human genome project. There are currently over 20 antisense drugs in clinical trials worldwide to treat various diseases, with more than half of these in Phase II or later stage clinical development. While there is already one antisense drug approved for clinical use, it is anticipated that several more will enter the market over the next few years.

Antisense Therapeutics Limited is an Australian publicly listed biopharmaceutical drug discovery and development company (ASX: ANP). The company'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). Antisense plans to commercialise its pipeline via licensing/collaboration agreements with major biotechnology and pharmaceutical companies. The company's major shareholders include Circadian Technologies Limited (ASX: CIR), Isis Pharmaceuticals Inc (NASDAQ: ISIS), Queensland Investment Corporation and the Murdoch Childrens Research Institute.

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