



Research collaborations allow Phylogica to expand drug discovery platform

- **Licensing deal with the prestigious Massachusetts General Hospital and Johns Hopkins University for technology to hasten drug discovery**
- **University of WA collaboration to accelerate and broaden screening of drug candidates**

Perth, Australia. 18 October 2005. Phylogica Limited (ASX:PYC) has today announced two important agreements which will allow the company to expand its drug discovery platform and accelerate pre-clinical programs.

Phylogica has signed a licensing deal with Massachusetts General Hospital and Johns Hopkins University that gives Phylogica access to a powerful genetic screening technology that will augment Phylogica's existing technology for blocking the harmful interactions of specific proteins associated with disease.

"Phylogica is continually identifying and reviewing technology that will make our in-house drug discovery and contract screening more efficient. This new in-licensed complementary technology integrates well with our existing process for identifying Phylomers® that block key the interactions of proteins involved in inflammatory diseases such as stroke and diabetes," said Dr Paul Watt, Phylogica's Scientific Director.

The license will enable Phylogica to fully utilise its proprietary screening technology. The terms of the license are confidential but are considered favourable and not likely to place a significant burden on cash resources

In a second arrangement, the University of Western Australia (UWA) has signed two research collaborations with Phylogica to access the company's powerful screening technology. UWA is considered an academic leader in research and development in Australia.

Disease states involve proteins in the body and the activity of many proteins is regulated by naturally occurring chemical groups known as phosphates. The attachment of phosphate groups to specific sites on a protein can alter the activity of that protein and act as tags which trigger cellular 'switches'. In the case of diseases such as cancer, it is believed that understanding addition of phosphates (or 'phosphorylation') to critical proteins potentially provides the key to developing more specific treatments.

UWA will screen Phylogica's library to identify Phylomers that discriminate between proteins that are phosphorylated or unphosphorylated. If this is achieved, greater understanding of the role of phosphates in proteins and diseases will be achieved, which is key in developing improved treatments.

One project targets cancer and specifically leukaemia proteins and expands Phylogica's research focus into these new diseases. The second project targets stroke, an area already of significant interest. In both cases, Phylogica and the UWA will jointly own all intellectual property emanating from the projects.

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About Massachusetts General Hospital (<http://www.mgh.harvard.edu>)

Massachusetts General Hospital (MGH) is the third oldest general hospital in the US and conducts the largest hospital-based research program in the US, with an annual research budget of more than \$450 million. Most of the hospital's staff physicians are on the Harvard Medical School faculty.

About Johns Hopkins University (<http://www.jhu.edu>)

The Johns Hopkins University opened in Baltimore in 1876 as America's first research university. The university is a leader in both teaching and research and has, in recent years, won more federal research and development funding than any other in the US.

About University Western Australia

The University is one of Australia's leading research-intensive universities and the premier research institution in Western Australia. Annually the University receives in excess of \$101m of external research income, expends over \$166m on research and graduates over 250 higher degree by research students, mostly PhDs.

About Phylogica

Phylogica (www.phylogica.com) was founded and incorporated in 2001 to commercialise its proprietary drug discovery technologies developed over six years through a collaboration between the Telethon Institute for Child Health Research in Perth (www.ichr.uwa.edu.au) and the Fox Chase Cancer Center (www.fccc.edu) in Philadelphia, United States. The founding research institutes have assigned their rights to the technologies into Phylogica in exchange for shareholdings in the Company. Phylogica Ltd is now a public company traded on the Australian Stock Exchange (ASX:PYC)

About Phylomers

Phylomers® are stable fragments of naturally-occurring proteins with the ability to bind tightly to target proteins and inactivate them as a result. Phylomers® can be selected for activity against specific disease target proteins. The properties of Phylomers make them attractive as cost-effective alternatives to antibodies. Phylogica's proprietary Phylomer® Libraries are collections of millions of Phylomers®. The libraries represent a source of drug leads which double as agents for the validation of potential new targets.

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