



US PATENT ALLOWANCE CONFIRMS PHYLOGICA'S DOMINANCE IN NEW CLASS OF DRUGS

Perth, Wednesday 6th June 2007

Key Points:

- New US patent allowed (claiming priority until 2023)
- Confirms novelty of Phylomer® concept as a source of new drug candidates
- Confirms clear ownership over all current and future Phylomer® libraries

Australian drug discovery company Phylogica Limited (ASX: PYC) today announced that another key US Patent has been allowed that will protect its Phylomer® libraries and construction methods that are the source of its exclusive peptide drug candidates.

Phylogica's Vice President of Drug Discovery and scientific founder, Dr Paul Watt, said the allowed claims in the US patent application gives Phylogica clear ownership over all current and future gene-based Phylomer® libraries and confirms the company's dominance in this exciting new class of drugs.

"Phylogica's Phylomer® libraries were first patented in 2000 and have since yielded multiple drug candidates that have been proven effective in pre-clinical models of a range of inflammatory diseases including head trauma, stroke, and severe burns," Dr Watt said.

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 from libraries for their activity against specific disease target proteins

The company is progressing to commercialisation with its anti-inflammatory drug candidates developed in partnership with Ireland-based Opona Therapeutics.

Phylogica's CEO, Dr Stewart Washer, said the allowance of the patent provides greater protection and acknowledges the novelty of the Phylomer® concept.

"The allowance of the patent confirms our dominance in this cutting edge class of drugs that clearly extends beyond antibodies in a number of major areas," Dr Washer said.

"We've shown that Phylogica's Phylomer® peptides can work both inside and outside the cell, also having the advantage of being much smaller molecules that can be more specifically targeted and delivered, as well as being potentially much cheaper to produce."

Phylogica now has 10 patent families and 8 allowed patents, including several patents granted in the major markets of the US and Europe.

For further information, please contact:

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Phylogica Ltd (ASX: PYC) (www.phylogica.com) is a drug discovery company utilizing its proprietary Phylomer[®] technology to develop revolutionary new drugs for stroke, burns injury, and other anti-inflammatory diseases including rheumatoid arthritis and diabetes. The Company is preparing to commercialise its lead drugs through licensing deals. Phylogica was founded by the Telethon Institute for Child Health Research in Perth (www.ichr.uwa.edu.au) and the Fox Chase Cancer Center in Philadelphia, United States (www.fccc.edu).

About Phylomer[®] peptides

Phylomer[®] peptides are stable fragments of naturally-occurring proteins with the ability to bind tightly to target proteins and inactivate them as a result. Phylomer[®] peptides can be selected for activity against specific disease target proteins. The properties of Phylomer[®] peptides make them attractive as cost-effective alternatives to antibodies a proven multi-billion drug class. Phylogica's proprietary Phylomer[®] libraries are collections of millions of Phylomer[®] peptides that represent a source of drug leads which can be used for multiple diseases.