

COMPANY ANNOUNCEMENT

Hepatitis E Licensing Deal Concluded

Key Points:

- Select Vaccines has licensed its Hepatitis E diagnostic technology to Genelabs Diagnostics Pte Ltd.
- Revenue to Select will consist of upfront payments and on-going royalty fees
- The license has a twelve year duration
- Genelabs Diagnostics is well placed to maximise the commercial potential of Select's technology

3rd August 2004 Melbourne Australia: Select Vaccines Ltd (ASX:SLT) has successfully concluded the out-licensing of the manufacture, marketing and global distribution of its rapid Hepatitis E diagnostic technology to Genelabs Diagnostics Pte Ltd in a twelve year license that incorporates upfront payments and ongoing royalty payments to Select Vaccines. While the terms of transaction remain confidential, production of the rapid and laboratory-based (ELISA) tests will commence immediately and Select Vaccines will shortly start receiving a mix of upfront payments and royalty fees. Royalty fees will continue for the 12 year life of the license.

Select Vaccine's diagnostic technology enables highly accurate diagnosis of infection with the Hepatitis E virus with 96% sensitivity (correct diagnosis of positive samples) and 100% specificity (correct diagnosis of negative samples), both at the point of care and in the laboratory. At present there are no other rapid tests available for this disease and the existing laboratory tests are sub-optimal in their specificity and sensitivity.

Dr Martin Soust, Managing Director of Select Vaccines; "The completion of this transaction marks an important phase in the development of Select Vaccines from a pure R&D company to one with a mix of products generating on-going revenue, and others in the development phase.

"As part of their due diligence prior to signing this agreement, Genelabs Diagnostics completed an exhaustive evaluation of our Hepatitis E technology. This culminated in an independent evaluation by the US Armed Forces Research Institute of Medical Sciences (AFRIMS). AFRIMS is one of the largest bodies within the global network of US Department of Defense medical research laboratories and represents the gold standard in technical evaluation.

"AFRIMS tested 600 units of both tests (rapid and ELISA) and confirmed both the sensitivity and specificity obtained by Select Vaccines and Genelabs Diagnostics. Such a positive commendation confers strong independent scientific and commercial credibility on Select Vaccines' Hepatitis E technology and we anticipate AFRIMS will also be a purchaser of the diagnostic kits," said Dr Soust.

As previously advised by the Company, the evaluation of Select Vaccines' Hepatitis A rapid diagnostic technology by a number of international companies is already underway. Select Vaccines still expects to conclude one or more out-licensing transactions for this technology during this calendar year. In addition, the Company's development pipeline continues to advance, with the development of a Hepatitis C rapid diagnostic progressing well.

About Select Vaccines Limited

Select Vaccines listed on the ASX on 3 July 2003. It is in partnership with Melbourne's Burnet Institute to commercialise research outcomes in the areas of diagnosis, vaccination and therapy for infectious diseases caused by viruses. The Burnet Institute, established in 1986, is Australia's leading research organisation in the field of infectious diseases caused by viruses and other agents.

Select has formed two project companies, Hepgenics Pty Ltd and Picoral Pty Ltd, to undertake different areas of research and development. Hepgenics is commercialising highly promising R&D projects in hepatitis diagnostics and vaccines developed by researchers at the Burnet Institute. Picoral's research pipeline covers the development of therapeutic products with actions against the picornavirus family, responsible for a range of illnesses that includes the common cold, meningitis and encephalitis.

About Genelabs Diagnostics Ltd

Genelabs Diagnostics is a highly regarded international company focused on the development, manufacture and distribution of diagnostic tests for the detection of infectious human diseases. The company is headquartered in Singapore with regional offices in Switzerland and China and it has a strong distribution network in the major markets for Hepatitis E diagnostics. Genelabs has sales in over 80 countries. It is a wholly owned subsidiary of MP Biomedicals, Inc. MP Biomedicals is a California-based life science, fine chemical and diagnostic products company with over 55,000 product lines. It was previously known as ICN Pharmaceuticals, a New York Stock Exchange listed company now known as Valeant Pharmaceuticals International (NYSE:VRX). The founder of ICN, Milan Panic, bought MP Biomedicals from Valeant in 2002. MP Biomedicals purchased Genelabs Diagnostics earlier this year specifically to gain access to its rapid diagnostic technology and its distribution networks.

About Hepatitis E

Hepatitis E is endemic throughout the Indian subcontinent, China, the Middle East and South East Asia. Epidemics have also been identified in Mexico and North and West Africa. As with Hepatitis A, Hepatitis E is acquired through the faecal-oral route, most commonly through eating food washed or cooked in contaminated water. According to the World Health Organisation, the mortality rate associated with Hepatitis E infection varies between 0.4 and 4%. However, in pregnant women the mortality rate is typically 20% and can reach over 30% in the third trimester. As a result of the weakness of current diagnostic tools there is a paucity of data concerning general infection rates but in some countries the rate is known to be as high as 60% of the general population. With the imminent commercial availability of Select Vaccines' highly accurate tests it is expected that much more will be learned about Hepatitis E and its infection rates in the coming months and years. The company expects the total market for Hepatitis E diagnostics to grow as this new technology gains access into new markets.

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Further information Select Vaccines:

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