Avexa Ltd

Apricitabine
Phase IIb results
Investor road show presentation

March 2007

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Forward-looking Statements

This presentation includes forward-looking statements that are subject to risks and uncertainties. Such statements involve known and unknown risks and important factors that may cause the actual results, performance or achievements of Avexa to be materially different from the statements in this presentation.

Actual results could differ materially depending on factors such as the availability of resources, the results of pre-clinical proof-of-concept studies, the timing and effects of regulatory actions, the strength of competition and the effectiveness of patent protection.

Additional information regarding risks and uncertainties is set out in the company's 2006 annual report and prospectus dated 21 March 2007 and all are available from Avexa on request.

Apricitabine (ATC)

Phase IIb clinical trial design

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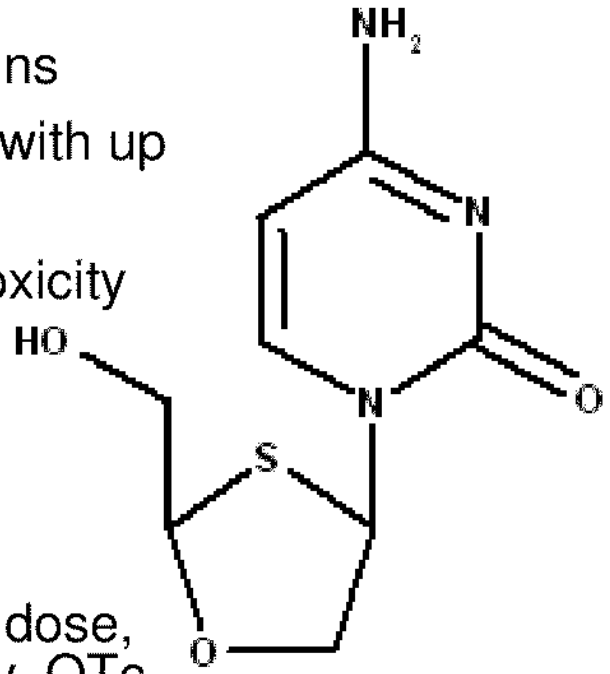
Avexa - ATC Review

Preclinical

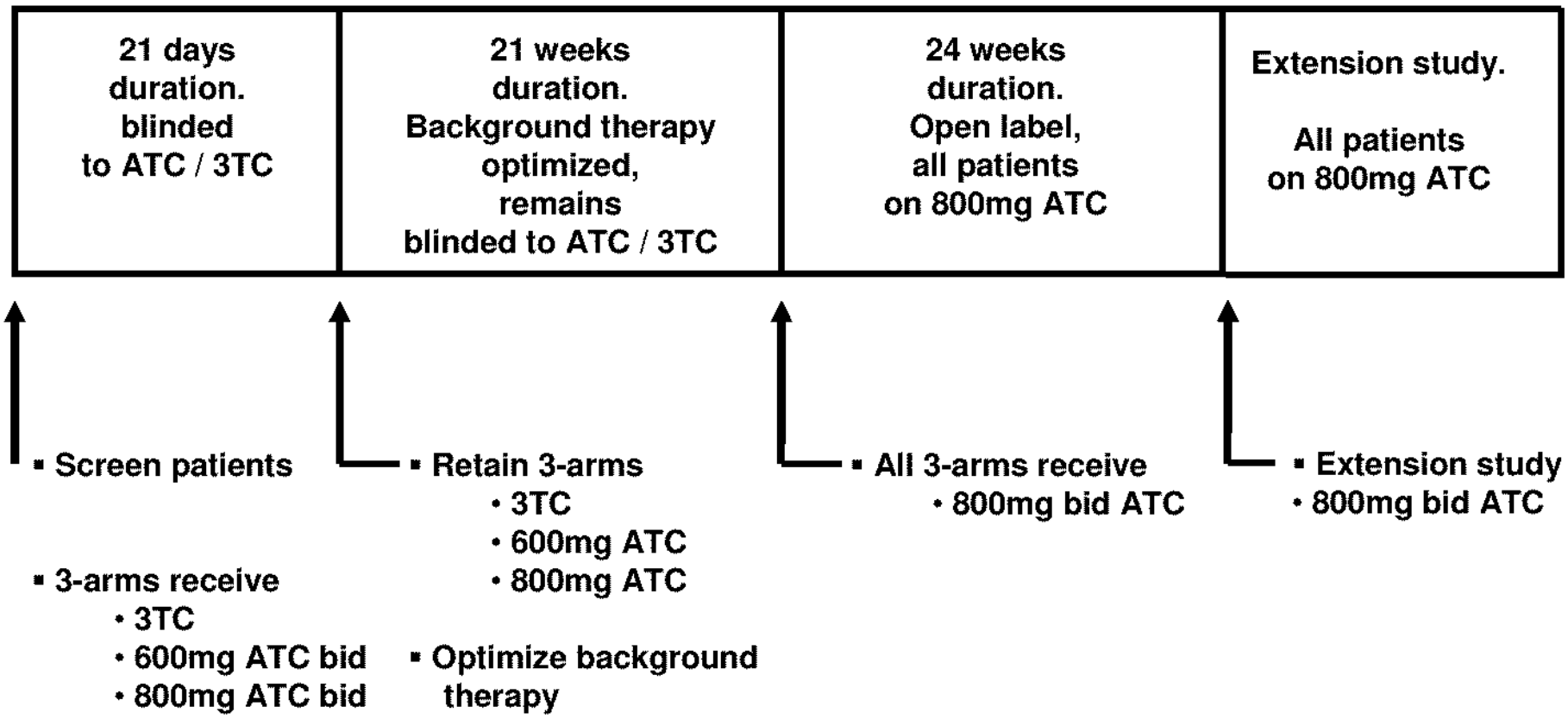
- Good *in vitro* activity against wild-type HIV-1 strains
- Active against M184V *in vitro,* <2-fold resistance with up to 5 TAMs
- Low potential for myelotoxicity or mitochondrial toxicity
- Can be combined with other HIV drugs



Clinical

- IND granted with Fast-Track approval
- Six Phase I trials completed; single dose, repeat dose, food-interaction study, Septrin® interaction study, QTc study, tipranavir interaction study
- Phase IIa completed: Monotherapy in drug inexperienced HIV +ve patients
  - -1.65 log10 (44 fold) drop in viral load after 10 days
- Phase IIb study; first 21 day blinded part completed

Avexa - Phase 2b trial design



Avexa – Phase IIb objectives

- Establish efficacy of ATC against drug-resistant HIV
  - Primary endpoint of 0.6 $\log_{10}$ drop after 21 days
  - Recruit a population with a good representative spread of genotypes from patients failing therapy with M184V
- Establish the safety and tolerability of ATC
  - Over 21 days and longer
- Demonstrate robustness to resistance selection
  - No new mutations, maintains M184V
  - Look for resistance to ATC (if any)

Apricitabine (ATC)

Phase IIb results

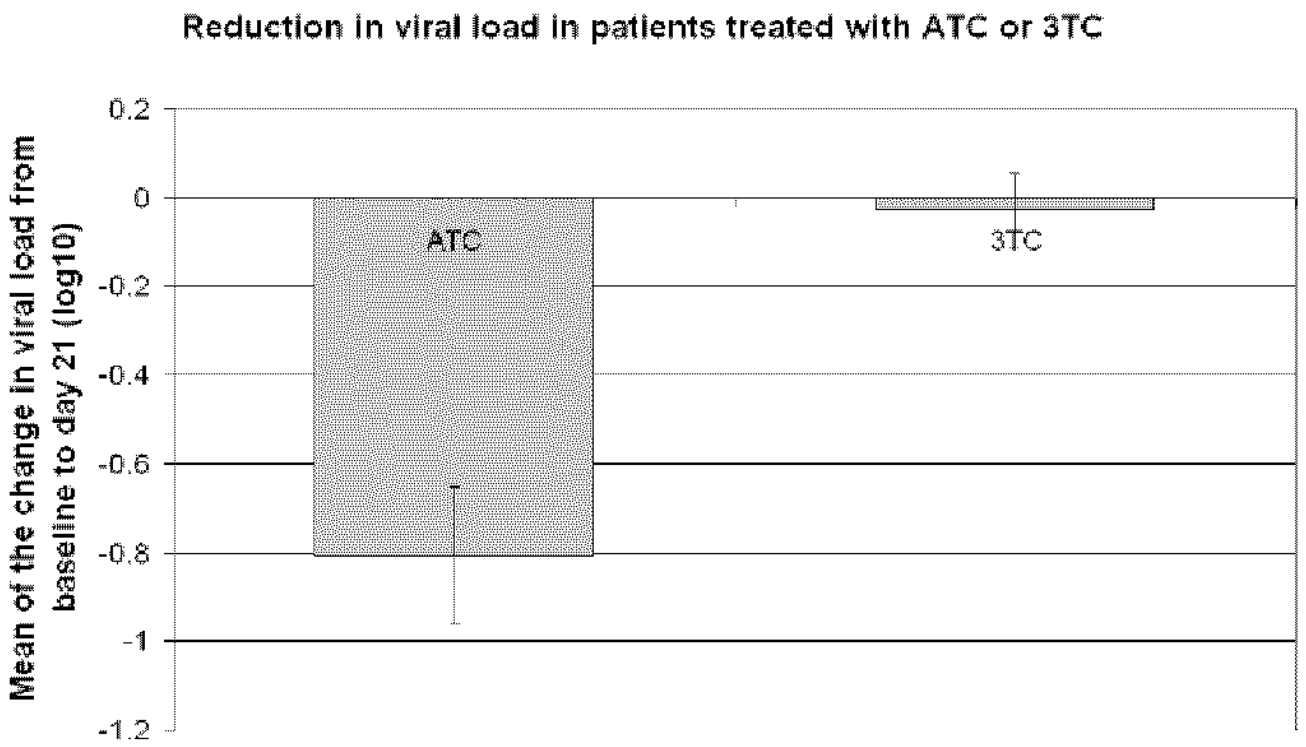
AVEXA

Avexa – Phase IIb Patient demographics

Characteristics	Number (%)
Total analyzed	47
Male	68%
Female	32%
Australian sites	5 patients (10.6%)
Argentinean sites	42 patients (89.4%)
Baseline viral load	< 10,000 copies/ml = 16 B/w 10,000 & 100,000 copies/ml = 30 > 100,000 copies/ml = 4
Patients with M184V + < 3 TAMS	23 (49%)
Patients with M184V + ≥ 3 TAMS	24 (51%)
Age Range	22 to 59

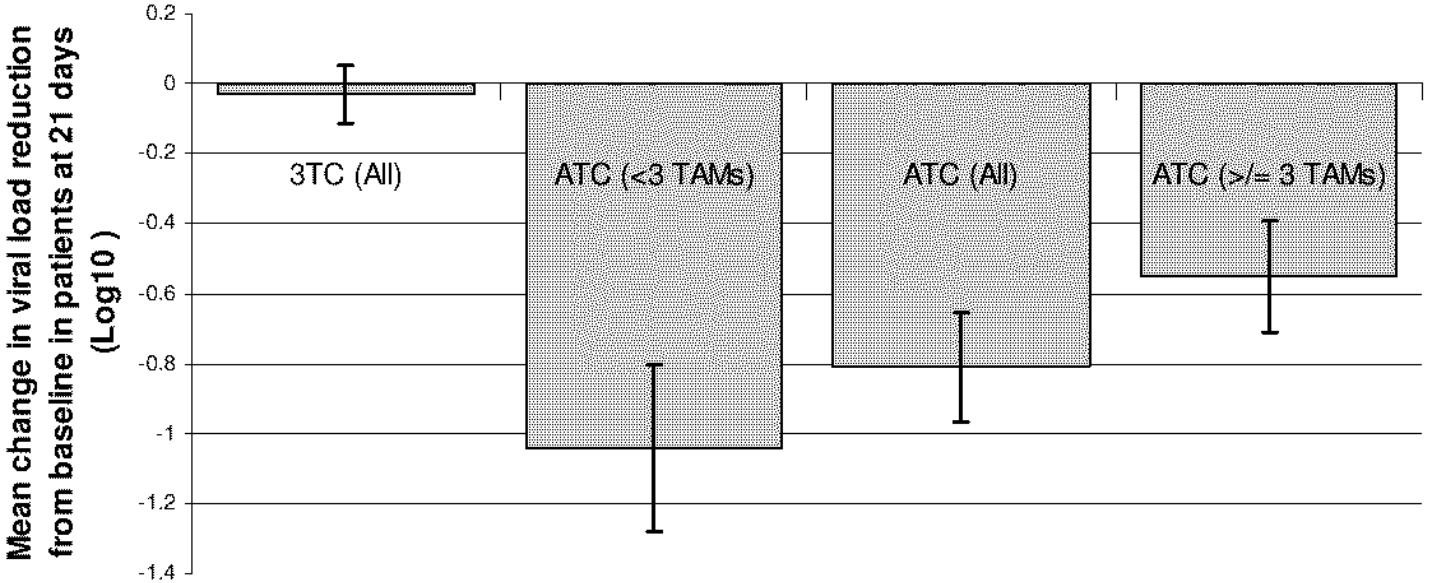
Avexa – Phase IIb results

Efficacy data



Bars on the figure above indicate the standard error of the two groups.

Reduction in viral load in patients treated with ATC or 3TC



Treatment

Stratified into; all patients (All), patients with <3 thymidine analogue mutations (< 3 TAMs) and patients with ≥3 thymidine analogue mutations (>/= 3 TAMs) for ATC.

Avexa - ATC Phase IIb trial highlights

- Overall viral load drop with ATC = 0.8$\log_{10}$
  - Greater than 1.0 $\log_{10}$ drop for patients with M184V + ≤ 2 TAMS
  - 9 of 33 patients achieved ≥ 1.5 $\log_{10}$ drop after 21 days
    - Largest individual drop - 2.5 $\log_{10}$
- No significant difference between doses of ATC
  - Both achieved greater than 0.6 $\log_{10}$ drop primary endpoint

Avexa - ATC Phase IIb trial highlights

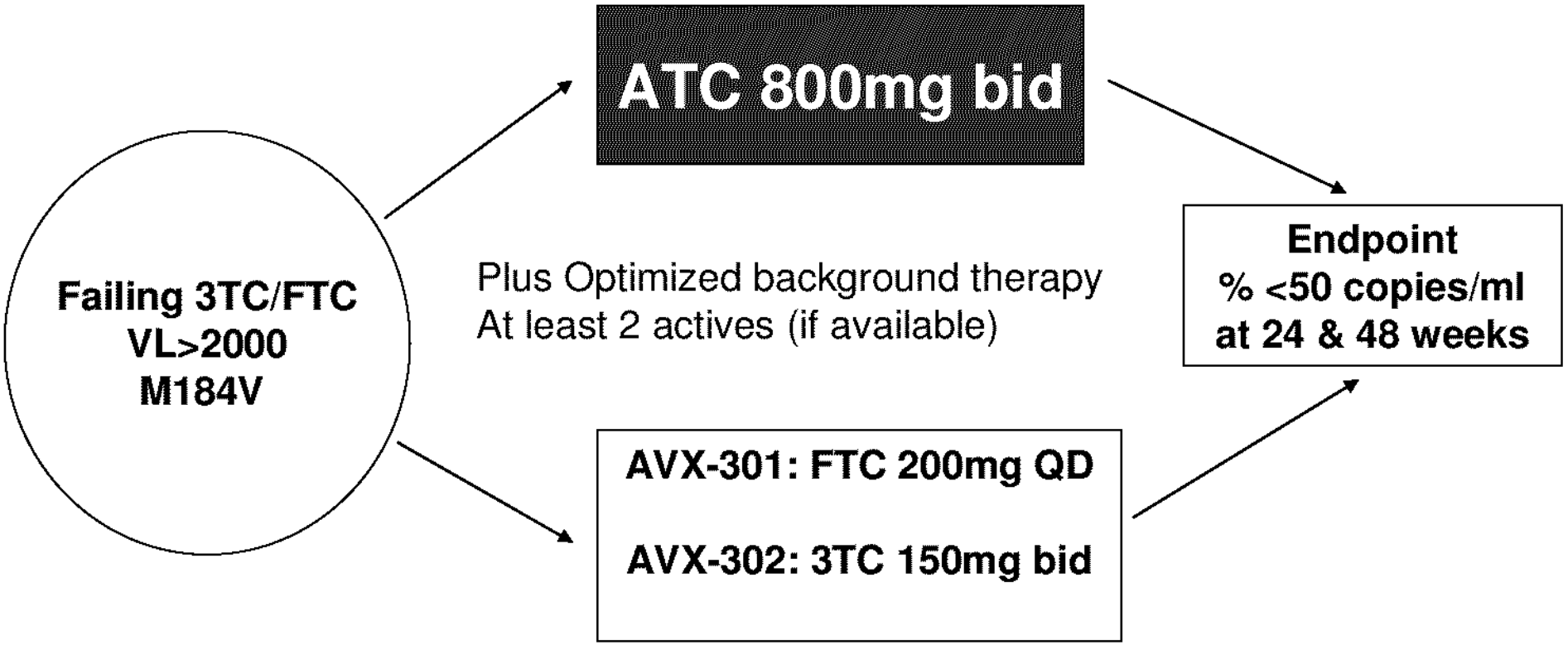
- 38/47 genotyped after 21 days
  - 9 below detectable unable to detect genotype
  - No patients gained either K65R or 74V
  - M184V maintained in 38 genotyped
  - All patients tested for ATC genotypic resistance
    - none detected

Avexa - ATC Phase IIb trial status

- Phase IIb and extension trials ongoing
- Patients in the trial are currently at the following stages:
  - 47 patients > Day 21
  - 20 patients >W12
  - 14 patients >W24 (open label)
  - 7 patients > W48 (min 24 weeks ATC)
  - 6 from 7 patients entered into extension study

- 24 week data results due Sept ‘07
- 48 week data results due Feb ‘08

Avexa - Phase III design



Similar design to that of the Phase IIb study

Avexa - Milestones in 2007

- Capital raising (1H ’07)
- Next HIV conference publications (Q2 ’07)
  - IAS July in Sydney
- 24 week data (Q3 ’07)
- Initiate sites for Phase IIIs (Q4 ’07)
- 1st patient into Phase IIIs (Q4 ’07)
- Pediatrics trial (2H ’07)
- Earlier programs heading to clinic in next 12 months
  - Or proof of concept studies this year

Apricitabine (ATC)

Phase IIb safety data

(up to date data)

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Avexa – AE related discontinuations

- **No drug-related AEs leading to study drug discontinuation**

- Two unrelated AEs leading to study drug discontinuation
  1. Renal insufficiency with hyponatraemia and hyperlactacidaemia
     - Reported by patient at week 5 of trial
     - Diabetic
     - Stopped tenofovir
     - re-started study drug once tenofovir removed from treatment regime

  2. Thrombocytopaenia grade 3,
     - Reported at day 13
     - previous history, attributed to HIV disease & not uncommon
     - Discontinued all HIV medications
     - Decreased to grade 2 by D14
     - AE Resolved

Avexa – Phase IIB SAEs reported

- **No drug-related SAEs & 3 unrelated SAEs**

- **All patients remain in the trial**
  - **3 unrelated SAEs unrelated to study drug seen during trial**

1. Renal calculus (kidney stone)
   - Reported at week 18
   - on TDF, ABC, ATV/r, T-20 + study drug (5 in total)
   - patient remains on trial (patient now in extension trial)
2. Renal insufficiency (same case as previous slide)
   - diabetic
   - Reported at week 5
   - has hyponatraemia and hyperlactacidaemia
   - stopped Viread
   - patient remains in the trial post Viread replacement
3. Dental Abscess
   - Reported at week 14
   - patient remains in the trial

Avexa – safety summary

- No SAEs or grade 3/4 AEs due to ATC
  - Patients reporting SAEs & AEs remained on trial
- Overall safety profile excellent
- This data includes;
  - 14 patients in open label
  - 6 in extension study
    - Indications of good longer term safety

Apricitabine (ATC)

HIV MARKET

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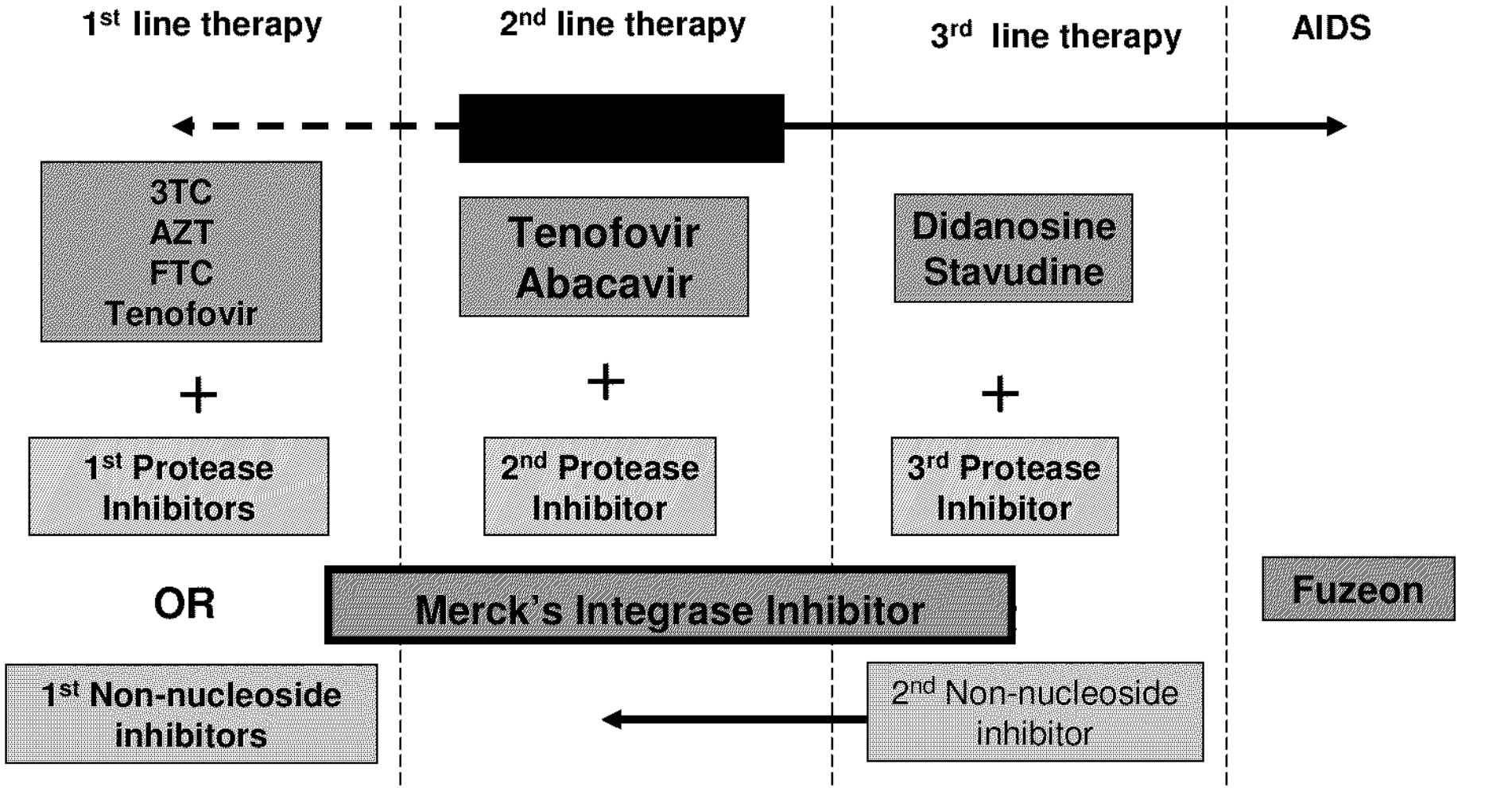
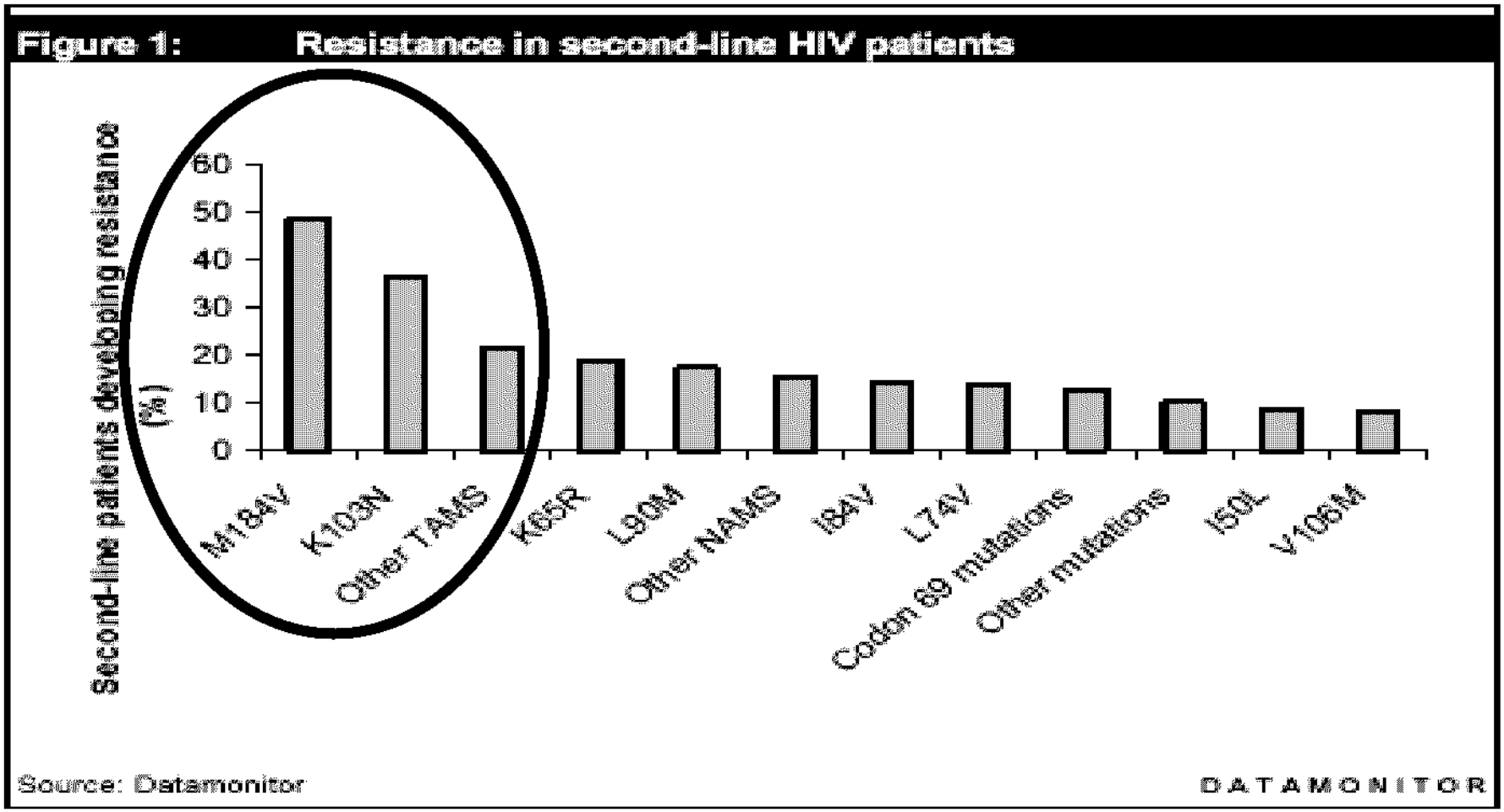
ATC positioning as NRTi of choice for resistant patients in 2nd & 3rd line therapy



Avexa – HIV Resistance rates



Avexa – ATC market

- Significant market potential for the product
  - Initially 2nd line therapy and beyond
  - Part of triple therapy but some patients on up to 5 or 6 HIV drugs
  - 65% of treated patients in 2nd & 3rd line therapy
    - 48% of failing patients have M184V mutations
  - Use of Merck's Integrase inhibitor could expand market potential
    - great combination for double change in drug-resistant patients
  - ~1.4 M HIV infected in the US & 2.2M in Europe
    - ~ 45% treated or aware of infection (therefore ~ 55% unaware)
- 2006 globally sales exceeded US$7 Bn
  - Growth rate in excess of 13%

Avexa - Comparison to NRTI competitors

Drug	Dose/Time	Genotype	Log VL reduction
Tenofovir **Gilead Sciences**	300mg QD W24 Annual Sales ~ US$1.2Bn	no TAMS ≥ 3 TAMS ≥ 3 TAMS no 41L or 210W	**- 0.8** **- 0.21** **- 0.67**
Reverset** **Incyte**	200mg QD D14	M184V + 2-4 TAMS ****Stopped due to toxicity. Drug no longer in development.**	**- 0.33**
Elvucitabine# **Achillion** **(NASDAQ: ACHN)**	10mg QD D7 5,10 & 20mg QD 50 & 100mg	Wild-type New M184V study is ongoing M184V (trial stopped due to toxicity)#	**- 0.85** **?** **- 0.67**
# Shown toxicity in clinic – Phase II trial stopped due to bone marrow toxicity			
Racivir **Pharmasset**	600mg QD D28	M184V + any TAM M184V + <3 TAMS	**- 0.4** **- 0.7**
ATC **Avexa** **(ASX: AVX)**	600mg bid & 800mg bid	Overall M184V + < 3 TAMS M184V + ≥ 3 TAMS	**- 0.8,** **-1.1,** **- 0.55**

Apricitabine (ATC)

Phase IIb conclusions

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Avexa – Phase IIb Conclusions

- Surpassed primary endpoint of 0.6 $\log_{10}$ drop after 21 days
  - in both doses of ATC
- Greater VL reduction than any other NRTI in patients failing with M184V ± TAMS
  - Consistent with Phase IIa results
- Difference between 600mg and 800mg not significant
  - 800mg likely Phase III dose
  - M184V maintained to Day 21
  - No significant other changes in genotype

Avexa – Phase IIb Conclusions

- Tolerability profile very good
  - No drug related SAEs
  - No Grade 3 or 4 related to ATC
  - Supports previous clinical data
- Good potential to be combined with other classes
  - Supported by recent Phase I result
  - ATC dosed with other ARTs during Phase IIb
- Positive review from SAB (Feb '07)
  - Liked potential for combination with Merck's Integrase
- Great result overall
  - Clears way for Phase III trials
  - Excellent platform from which to continue company growth

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