



BioPharmica Limited

HLS5 Gene Project Update

BioPharmica Ltd (ASX: BPH) Announcement – 29 September 2005

BioPharmica has increased its interest in the HLS5 project to a majority position and appointed a former GE Healthcare senior scientist to join the HLS5 project team. The company is very pleased with the ongoing progress of the HLS5 project.

The company has elected to attain a majority interest in the HLS5 project (55%) by advancing a further \$400,000 towards the development program. The HLS5 agreement entered into with the University of Western Australia and WAIMR enabled BioPharmica to earn a 55% interest in the project through total expenditure of up to \$600,000 at any time.

In conjunction with the above expenditure BioPharmica has appointed Dr Sam Gallagher as Vice President of Research and Development with a priority focus on the HLS5 project. Dr Gallagher was previously a UK based member of BioPharmica's Scientific Advisory Panel.

Dr Gallagher was formerly a senior scientist with Amersham Biosciences and GE Healthcare in the UK and acted as Project Manager for Ideas evaluation, molecular biology and chemistry based projects controlling multi-million dollar commercial R&D projects. Dr Gallagher has managed interdisciplinary teams of scientists at all levels interacting with commercial, legal and other business areas from initiation and development through to sales.

Dr Gallagher has also collaborated and consulted for multinational R&D teams in Europe, Canada and the US and has particular expertise concerning drug development and toxicology, particulate research, assay development and image analysis.

Dr Gallagher joins the HLS5 project in a commercial role and further strengthens the HLS5 team. This appointment follows the addition of leading researcher Dr Jean-Philippe Lalonde who was appointed to the HLS5 research team under Professor Peter Klinken. Professor Klinken is Director of WAIMR and the Centre for Medical Research at the University of Western Australia and manages over 180 staff at the Institute. He is a world-leading scientist whose research focuses on genes involved in leukaemia and cancer.

Managing Director David Breeze said, "Although we would like to immediately communicate any breakthrough we may experience in our development program to our shareholders, our priority must be to protect confidential information. Our satisfaction with the progress of the HLS5 project is evidenced by our early decision to gain a majority position in the intellectual property".

"We are very pleased that someone of Dr Gallagher's calibre shares our excitement about HLS5 and has elected to join BioPharmica in a full time role. Dr Gallagher's appointment comes at a time when we are experiencing some significant success with HLS5".

As announced, significant additional intellectual property was developed as a result of the pilot trial and follow up work conducted by WAIMR. The company is very pleased with the work to date and will announce further information at the appropriate time.



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About BioPharmica

BioPharmica is working to commercialise a portfolio of research discovered by Australian universities, medical institutes and hospitals targeting large global markets. The Company has several projects currently undergoing pre-clinical development in Australian Hospitals and Universities.

In conjunction with the University of Western Australia and the Western Australian Institute for Medical Research, the Company is working to commercialise a molecular marker for early and accurate cancer detection and treatment. The HLS5 marker is currently undergoing pre-clinical work at the Royal Perth Hospital campus of WAIMR.

In partnership with Cortical Dynamics Pty Ltd, the Company is commercialising the BAR Monitor, a device that measures a patient's brain electrical activity (EEG) to indicate the response to drugs administered during surgery. The BAR Monitor assists doctors to ensure patients do not wake up unexpectedly during an operation, and minimizes associated side effects from post-operative recall of surgical procedures. The BAR Monitor is currently undergoing validation trials with data from patients at Royal Melbourne Hospital.

Together with the Royal Melbourne Institute of Technology University and Diagnostic Array Systems, the Company is working to commercialise faster and more effective methods of detecting infectious diseases using the genetic structure (DNA) of bacteria. Founders Dr Benjamin Fry and Dr Viraj Nawagamuwa are both world leaders in the genetic structure of bacteria.

In conjunction with Swinburne University of Technology and Dr Paul Stoddart, BioPharmica is working to commercialise the SERS Probe, a fibre optic probe to be used in biosensors for diagnostic testing and drug development. The probe enables the microscopic tip of an optical fibre to be used in biosensors to detect and monitor biological and chemical targets.

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