BIOPHARMICA LIMITED
Bridging Biotechnology Borders

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The Manager
Company Announcements
Australian Stock Exchange
21 September 2004

Dear Sir

BioPharmica Cancer Gene Progress

A review of the HLS5 Cancer Gene project being conducted with the University of Western Australia and the Western Australian Institute for Medical Research has recently been completed.

Recent research data has shown that HLS5 potentially plays a role in the development of cancers other than breast, prostate and colorectal cancer. Data mining of global genetic databases and analysis work has commenced to define the different types of cancer where HLS5 is down regulated.

The HLS5 team is also seeking a monoclonal antibody to the HLS5 protein, which will allow probing of the HLS5 gene product. The monoclonal antibody will be a key achievement, as it will form the basis of a diagnostic tool for the HLS5 protein.

Also in development at the Laboratory for Cancer Medicine (Western Australian Institute for Medical Research) are methods to enable an in-house screening program to define the correlation between HLS5 levels and cancer.

In addition a screening program of cancer samples for the HLS5 gene with other research institutions or commercial partners is being investigated.

The HLS5 team has initiated the production of 'knockout mice' in conjunction with an Australian specialist in this area. These 'knockout mice' will have the HLS5 gene artificially removed and will be bred to provide offspring that can be analysed to detect the impact of the presence/absence of the HLS5 gene on the development of cancer– it is suggested that mice lacking the HLS5 gene will be more susceptible to the onset of cancers.

The first step of the process for generating the 'knockout mice' has been completed and our provider will submit updates at regular intervals. Although recognising the difficulties inherent in this process, the team is seeking to show that these genes can be 'knocked out' and result in viable offspring for analysis.

A further appointment strengthening the research capacity of the HLS5 team has been made at the Laboratory for Cancer Medicine at WAIMR with an additional researcher assisting Professor Peter Klinken.

Managing Director David Breeze said, "The team is working to complete the research and produce the corresponding data required to define HLS5 as a tumour suppressor gene and clearly outline its role in the development of cancer.

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The Laboratory for Cancer Medicine is globally recognised for their expertise in cancer research and we are exceptionally pleased to be working with the research team led by a scientist such as Professor Peter Klinken."

David Breeze,

Managing Director
BioPharmica Ltd

About BioPharmica Ltd

BioPharmica is a biomedical commercialisation business partnering with universities, medical institutes and hospitals. Existing product development is targeted at the billion dollar markets for the detection and treatment of breast, prostate and colorectal cancers and the effective diagnosis of infectious diseases caused by bacteria.

The Company is working with the University of Western Australia and Professor Peter Klinken from the Laboratory for Cancer Medicine at the Western Australian Institute for Medical Research. The Institute combines the Royal Perth Hospital, Sir Charles Gairdner Hospital, Fremantle Hospital and the University of Western Australia.

BioPharmica is also partnered with Dr Benjamin Fry and Dr Viraj Nawagamuwa who are both world leaders in the genetic structure of bacteria. Products are being developed to identify which specific bacterium is causing an infectious disease (such as pneumonia or legionnaires disease) by using the genetic structure (DNA) of bacteria. In using bacterial DNA the testing process can be faster and much more accurate. Treatment is then more effective as drugs are prescribed sooner and for the specific bacterium causing the disease.
