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ASX / MEDIA ANNOUNCEMENT

Alchemia's Phase III Cancer Trial Adopted by National Institute of Health Research (NIHR) Clinical Research Network

Alchemia, Brisbane, Australia (ASX:ACL), today announced that the Phase III trial of HA-Irinotecan in patients with metastatic colorectal (bowel) cancer, has been adopted by the NIHR National Cancer Research Network (NCRN) in the UK.

The NCRN provides the National Health Service (NHS) in England with the infrastructure to support cancer clinical trials. It also works closely with Cancer Research Networks in the devolved nations to provide support of cancer trials across all of the UK. The NCRN's adoption of Sponsor's trial means that various NHS centres are able to participate in the study, which should facilitate rapid recruitment of patients in the UK. The English Department of Health established the NCRN in April 2001 and it has already succeeded in increasing recruitment into cancer clinical trials by more than five-fold. In reaching its decision to adopt the trial, the NCRN Industry Trials Adoption Panel evaluated HA-Irinotecan and concluded that the study was well designed and could provide a possible benefit to patients in the NHS. There are no financial obligations or loss of commercial rights through NCRN's involvement.

HA-Irinotecan is a new formulation of the widely used cancer drug irinotecan which effectively targets the drug to the tumor through a receptor-based mechanism. An earlier Phase II trial of HA-Irinotecan showed a statistically significant increase in progression-free survival compared with irinotecan (5.2 months vs 2.4 months, $p=0.017$). After consultation with both the US Food and Drug Administration (FDA) and the European Medicines Agency (EMA), both regulatory agencies indicated that the successful completion of the planned single pivotal Phase III trial will be sufficient for registration in both regions.

Associate Professor Peter Gibbs from the Melbourne Ludwig Cancer Institute will act as the global chief investigator of the upcoming Phase III clinical trial and the UK Chief Investigator will be Professor Ian Chau from the Royal Marsden Hospital, London.

"We are delighted that the NCRN has adopted our trial and have been very pleased with the number of sites in the UK that have already expressed an interest in participating" said Pete Smith, Alchemia's CEO. "This provides good independent evidence of the medical need that we hope HA-Irinotecan can address in this patient population."

Alchemia's preparations for the Phase III trial are well advanced with the potential to open recruitment to the trial in the second half of 2010. The study will recruit 330+ patients in

**Brisbane Head Office
Alchemia Limited**

(ACN 071 666 334 ABN 43 071 666 334)
3 Hi-Tech Court Brisbane Technology Park
Eight Mile Plains QLD 4113 Australia
PO Box 4851 Eight Mile Plains QLD 4113
T: 61 7 3340 0200 F: 61 7 3340 0222

Melbourne Office

Alchemia Oncology Pty Limited
(ACN 058 390 953 ABN 60 058 390 953)
Room D130, Building 13D
Department of Biochemistry and Molecular Biology, Monash University,
Wellington Road, Clayton, VIC 3800, Australia
T: 61 3 9905 3760 F: 61 3 9905 3726

approximately 60 sites in 6 or 7 countries from the following list - Australia, the UK, Russia, Bulgaria, Poland, Serbia and the Ukraine. Alchemia is working with PSI, a Swiss-based Contract Research Organization for the conduct of the trial. PSI is a global CRO with extensive relevant experience in the conduct of similar oncology trials.

Ends

About Alchemia Limited – www.alchemia.com.au

Alchemia is a drug discovery and development Company founded on its chemistry expertise. The Company's lead program is fondaparinux (a generic version of GlaxoSmithKline's Arixtra®, a synthetic anticoagulant mainly used for the prevention of deep vein thrombosis). The ANDA for generic fondaparinux was filed for approval with the US FDA in March 2009. It is partnered with Dr Reddy's Laboratories Inc. for the U.S. market. Alchemia's pipeline of assets is built on two platform technologies: HyACT® (targeted cancer delivery) and VAST® (drug discovery). The primary objective of the HyACT® technology is to develop a new generation of anti-cancer drugs which demonstrate better efficacy. The lead product from the HyACT® platform is HA-Irinotecan for which a phase III clinical trial in metastatic colorectal cancer will commence in 2010. In addition to HA-Irinotecan, Alchemia has successfully taken two other anti-cancer products HA-Doxorubicin (doxorubicin and hyaluronic acid) and HA-Fluorouracil (5-fluorouracil and hyaluronic acid) into successful Phase I clinical testing and they continue to development on five other HyACT® drugs.

For further information:

Dr Pete Smith
Chief Executive Officer
Alchemia Limited
Tel: +61 7 3340 0200

David Green
Chief Financial Officer
Alchemia Limited
Tel: +61 7 3340 0200

For ALCHEMIA, US Media Relations contact:

Remy Bernada – Blueprint Lifesciences Group
415-375-3340 or rbernarda@bplifescience.com

Brisbane Head Office
Alchemia Limited
(ACN 071 666 334 ABN 43 071 666 334)
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