



PEPTECH
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2 September 2005

ASX/Media Announcement

Domantis successful in European patent opposition proceedings

Attached is an announcement released by Domantis Limited, the human Domain Antibody Therapeutics company in which Peptech Limited (ASX: PTD) holds a 36.1 per cent shareholding.

The announcement concerns a decision by the Opposition Division of the European Patent Office (EPO) to narrow the scope of a patent awarded to VUB (Vrij Universiteit Brussel) for its research in a subset of heavy chain antibodies derived from camelids.

This patent is licenced to Ablynx for commercial purposes.

The EPO's decision was significant because it reaffirms Domantis' dominant position and freedom to operate in the field of human Domain antibodies, as underpinned by the company's worldwide patent position covering such products.

Peptech Executive Chairman, Mr Mel Bridges said outcome of the proceedings reaffirmed Peptech's confidence in its investment in Domantis.

"The attached announcement clearly demonstrates Domantis' strong patent position and freedom to operate in the area of human domain antibodies," Mr Bridges said.

Background:

Peptech Limited focuses on the research and development of peptides and proteins in the areas of human pharmaceuticals and animal health. The company is positioned to become a globally recognised leader in biopharmaceutical development.

ENDS

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ABOUT PEPTECH

Peptech Limited focuses on the research and development of peptides and proteins in the areas of human pharmaceuticals and animal health. It has a growing product pipeline in its human health division with two potentially valuable anti-inflammatory drugs and exciting developments in its cancer program emanating from its joint venture with Biosceptre. Peptech holds 50% equity in its joint venture with Biosceptre and holds a 36.1 per cent shareholding in Domantis, a UK-based drug development company. Peptech is positioned to become a globally recognised leader in biopharmaceutical development.

ABOUT DOMANTIS

Domantis is a drug discovery company that is leveraging its proprietary dominance in human dAbs to deliver therapies, which address large, unmet medical needs including inflammation (e.g. asthma, Crohn's Disease) cancer (e.g. haematological and solid tumours) and autoimmune diseases (e.g. rheumatoid arthritis). In less than three years it has initiated more than a dozen proprietary therapeutic programs, several of which should enter clinical trials in 2006.

Therapeutic antibodies are a major commercial opportunity. Seventeen monoclonal antibodies have been approved for use to date and these are expected to generate sales exceeding \$9 billion by 2006. Fully human dAbs, the smallest binding domains of a full antibody, combine the therapeutic benefits of small molecule drugs (formulation and delivery versatility, wide therapeutic target range, low cost) with those of full human antibodies (enormous diversity, high specificity, lower toxicity). Thus they have very broad therapeutic relevance.

The growing antibody market and the commercial potential of dAbs makes Domantis an attractive partner for the pharmaceutical industry and it has already struck deals with Peptech, Abbott Laboratories, ImClone, Tanox, and Argenta Discovery whilst also attracting funding from the European Union for several therapeutic collaborations. A series of dAb therapies derived from these collaborations should begin to enter the clinic in 2006.



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DOMANTIS SUCCESSFUL IN PATENT OPPOSITION PROCEEDINGS

- Scope of Patent Coverage For Ablynx Dramatically Narrowed -

Cambridge, UK and US; 1 September 2005...Domantis Limited, the human Domain Antibody Therapeutics company, has successfully opposed European patent number EP0656946, leading to a major amendment of the main claim in the patent and a significant narrowing of the scope of 34 of the 41 other claims. The decision of the Opposition Division of the European Patent Office (EPO) reaffirms Domantis' complete freedom to operate in the field of human Domain Antibodies.

EP0656946 was awarded to VUB (Vrij Universiteit Brussel) and is subject to various licenses, including a license to Ablynx for the field of healthcare products. Ablynx is a Belgium based biopharmaceutical company engaged in the discovery of Nanobodies™, which are heavy chain domain antibodies derived from camels and llamas ("camelids"). The EP0656946 patent is based on the elucidation at VUB of the structure of a particular class of camelid antibodies that consist solely of heavy chains (as opposed to human antibodies which consist of heavy and light chains). The patent was granted with a main claim (claim 1) covering such antibodies, as well as claims directed to heavy chains that have a charged or cysteine residue at position 45. This sequence feature has only ever been seen in a subset of heavy chain antibodies derived from camelids and not in any other species, including humans.

In contrast, Domantis' Domain Antibodies are based on the heavy or light chains of fully human antibodies and contain no components derived from animals. Over the last 30 years, antibody therapeutics have moved away from animal derived products due to

side effects caused by the foreign nature of these proteins. Domantis is developing a range of therapeutic drugs based on its fully human Domain Antibodies and has a worldwide dominant patent position covering such products.

The Opposition Division of the European Patent Office, presiding in oral proceedings on Tuesday 30th August 2005, ruled that the main claim of the original EP0656946 patent and over 30 other claims were not patentable and instead required the narrowing of these claims to cover only heavy chains that have a charged amino acid or cysteine residue at position 45. The amended claims are therefore restricted to a specific feature that has only been reported in a subset of camelid heavy chain antibodies and do not apply to any of Domantis' heavy or light chain Domain Antibodies.

Domantis' CEO Robert Connelly commented, "We are delighted with the outcome of these proceedings. The decision by the EPO to dramatically narrow the scope of the EP0656946 patent reaffirms Domantis' dominant position and complete freedom to operate in the field of human Domain Antibodies, as underpinned by Domantis' extensive IP portfolio. The opposition confirms that this patent provides no coverage of any of Domantis' past, present or future activities".

ENDS

Notes to Editors

Domantis is a drug discovery company that is leveraging its proprietary dominance in human dAbs to deliver therapies, which address large, unmet medical needs including inflammation (e.g. asthma, Crohns Disease) cancer (e.g. haematological and solid tumors) and autoimmune diseases (e.g. rheumatoid arthritis). In less than three years it has initiated more than a dozen proprietary therapeutic programs, several of which should enter clinical trials in 2006.

Therapeutic antibodies are a major commercial opportunity. Seventeen monoclonal antibodies have been approved for use to date and these are expected to generate sales exceeding \$9 billion by 2006. Fully human dAbs, the smallest binding domains of a full antibody, combine the therapeutic benefits of small molecule drugs (formulation and delivery versatility, wide therapeutic target range, low cost) with those of full human antibodies (enormous diversity, high specificity, lower toxicity). Thus they have very broad therapeutic relevance.

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Monoclonal antibodies were invented in the 1970's at the UK Medical Research Council's Laboratory of Molecular Biology (MRC-LMB), which has remained at the forefront of therapeutic antibody research since that time. In 1989, scientists in the LMB laboratories of Sir Gregory Winter published the discovery of dAbs. This discovery led to the creation of an extensive portfolio of intellectual property covering the development and use of dAbs, the binding domains of fully human antibodies. Domantis has exclusive licenses and assignments to these pioneering inventions for dAb products and extensive intellectual property covering dAb libraries, methods of discovery, compositions, and formulations of dAbs. As a result, Domantis is the only company capable of fully exploiting the commercial therapeutic applications of human dAbs.

Sir Gregory and Dr Ian Tomlinson, world-renowned scientists from the MRC-LMB, launched Domantis in December 2000. Sir Gregory was also a founder of Cambridge Antibody Technology (CAT) plc. To date Domantis has raised \$54 million from investors including 3i, Gray Ghost (Baltimore, US), Albany Ventures, MVM Limited (London, UK) and Peptech Limited. Domantis employs over 50 staff and has laboratory facilities in Cambridge, UK and commercial offices in Cambridge, Massachusetts, US. See also www.domantis.com.