

**MEDIA RELEASE 28 JUNE 2005****GOVERNMENT GRANT OPENS DOORS FOR BIOTECH  
COMPANY TO PROGRESS MULTIPLE SCLEROSIS RESEARCH**

"Recent support from the Federal Government has quite literally opened doors for Queensland Biopharmaceutical Development Company, CBio Limited to forge ahead with development of its lead drug candidate for autoimmune related diseases" announced CBio CEO & Managing Director Dr Wolf Hanisch on the eve of the company's official opening of its new premises.

The Federal Minister for Industry, Tourism and Resources, the Honourable Ian Macfarlane will officially open the company's new premises located in the Brisbane Technology Park, Brisbane on Wednesday, 29 June, 2005.

Dr. Hanisch stated under the P3 (Pharmaceuticals Partnerships Program) Grant Scheme, which is administered within the portfolio of the Minister for Industry, Tourism and Resources, CBio is eligible for four years of government funding of up to \$6 million on the basis of company-committed expenditure of \$33 million from discovery research to clinical development, including manufacturing to international standards..

"The Grant is evidence of the achievement by CBio of critical mass in its development and commercialisation programme, which we are confident will see the introduction to market, progressively over the next decade, of a number of exciting new compounds" said Dr Hanisch.

"These have the potential to dramatically improve the quality of life for patients suffering from autoimmune related diseases", he said.

The company, over a period of 3 years, has successfully completed Phase I safety trials and is now undertaking Phase IIa Trials in patients with a range of autoimmune diseases including Multiple Sclerosis. The company's research has identified its lead drug candidate to act through Toll Like Receptors thereby positioning CBio at the forefront of the development of therapeutics acting at the level of innate immunity.

With the funding support and the move to the new premises, which house expansive specialised laboratory facilities, the company will be able to further progress its groundbreaking research into a range of autoimmune related diseases.

The opportunity of P3 funding, taken with the success of the initial trials, has meant CBio can now accelerate strategic recruitment of additional highly qualified staff necessitating a move to the new premises.

The potential to improve the quality of life for patients suffering from autoimmune related diseases, such as Multiple Sclerosis, Inflammatory Bowel Disease, Rheumatoid Arthritis and Psoriasis, has therefore received a significant boost because the P3 funding and the new facility will enable the Company to accelerate introduction to the market of the exciting compounds being developed by CBio Limited.

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