



## **PHYLOGICA BEATS TECHNICAL HURDLES FOR LEAD PROGRAM**

### ***Key Messages:***

- **Phylogica demonstrates ability to improve potency and circulation time of lead molecules**
- **Phylogica's technology platform now validated as a high-efficiency source of drug leads against a range of targets**
- **Significant interest being generated with several parties around the world and discussions ongoing around a range of programmes and opportunities**

**Perth, Western Australia, 27<sup>th</sup> August 2008**

Phylogica Limited (ASX: PYC) announced today that it has generated new technical data that demonstrates the ability of its lead molecules to work as effective drugs.

The new data on affinity (potency) and half-life extension (improving circulation times of a drug within the body) enables Phylogica to meet the next set of Commercial Ready Grant milestones.

In addition, the meeting of these technical milestones has now allowed the company to demonstrate that it has assembled all the required pieces of the competitive jigsaw to enable its proprietary Phylomer® drug discovery platform to compete on the world stage.

This was reinforced at two recent conferences in the USA, where Phylogica scientists had invited speaker positions (IBC Beyond Antibodies; IBC Drug Discovery Technology). These presentations, which contain the relevant technical data, are available on the Phylogica web site for viewing ([www.phylogica.com](http://www.phylogica.com)).

These conferences confirmed that the data being generated by the Phylogica team is of world-class equivalence and provides significant validation that the Phylogica technology can repeatedly and consistently generate high quality hits that are suitable for drug development.

"We are excited at being able to demonstrate that our Phylomer® peptides have favourable half-lives and potency levels" said Phylogica's Chief Scientist, Dr Paul Watt. "Using a combination of standard and in-house techniques, we have been able to improve the effective potency of some of our lead molecules several hundred-fold. In addition, using a standard half-life extension technology (PEGylation), we have been able to extend circulation time in rats significantly, without losing efficacy of the molecule" he added.

These improvements in drug-like characteristics of peptides such as Phylomers are important for their commercial viability, in order to allow a realistic cost-of-goods per dose and tolerable administration regimes for patients. Such improvements are also important to allow for extended administration, which is important for treatment of chronic diseases such as Rheumatoid Arthritis and Irritable Bowel Disorder (IBD).

Harry Karelis, Deputy Chairman of Phylogica, commented that "these data now complete the jigsaw puzzle for Phylogica, proving that our drug leads can be easily modified to meet industry standards. With these validating experiments successfully concluded the company is now well placed to continue to showcase its technology to logical partners".

“As more and more drugs undergo patent expiry the pharmaceutical industry is increasingly looking for next generation technologies that can help address rapidly dwindling drug pipelines. With our extensive patent estate and growing data pack the level of interest from third parties wishing to access the Company’s technology continues to increase.”

**For further information, please contact:**

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**Phylogica Ltd** (ASX: PYC) ([www.phylogica.com](http://www.phylogica.com)) is a biotechnology company involved in drug discovery, using its proprietary Phylomer(R) peptide libraries. Phylomer® peptides are stable fragments of naturally-occurring proteins which bind tightly and specifically to disease targets. Phylomer® peptides have drug-like properties, including specificity, potency, stability and flexible production, allowing for chemical or recombinant means of manufacturing. In addition, these unique peptides are able to block both extracellular and intracellular disease targets. Phylogica's proprietary Phylomer® libraries are collections of hundreds of millions of Phylomer® peptides that represent a rich source of drug leads for a broad range of disease targets.