

MEDIA RELEASE

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Update on cancer drug candidate CYT997

Cytopia Ltd (ASX:CYT) is pleased to provide an update on the progress of its Phase I trial for the cancer drug candidate CYT997.

CYT997 is an orally available vascular targeting and cytotoxic agent that has proven effective in animal models of a wide range of tumour types including breast, prostate and colon, as well as some leukemias.

In March 2005, Cytopia successfully lodged an Investigational New Drug (IND) Application for CYT997 with the Food and Drug Administration of the United States (FDA) and in July 2005 commenced a Phase I dose escalation study in cancer patients at the Royal Brisbane and Women's Hospital (RBWH). The trial is under the direction of medical oncologists, Drs Jason Lickliter and Paul Vasey.

The clinical study is designed to determine the safety and tolerability, dose-limiting toxicities and maximum tolerated dose of CYT997 when given as a 24-hour intravenous infusion every three weeks. Eligible trial participants are cancer patients with advanced solid tumours who have failed one or more first-line therapies or for whom no standard therapy exists. Pharmacokinetic and biological activity data is also being collected.

The dose levels of CYT997 administered to date have been well tolerated by patients and no dose limiting toxicities (DLTs) have yet been identified. To date, sixteen patients have received a total of 46 doses of CYT997 across six incremental dose levels.

Dose escalation will continue until two or more patients within a dose level exhibit a DLT. The maximum tolerated dose will then be determined in accordance with the approved clinical trial protocol. While the company cannot be certain when dose-limiting toxicities will be identified, Cytopia anticipates that the trial will continue in the third quarter of 2006.

Regulatory oversight for the trial continues to be provided by the institutional Human Research Ethics Committees and the FDA.

Oral applications of CYT997

The company will apply later this year to various regulatory authorities to conduct a Phase I clinical trial investigating the oral administration of CYT997. Subject to regulatory approval, this clinical trial will commence at a site in Australia in late 2006. This clinical trial will have similar objectives to the current intravenous trial, including the determination of safety and tolerability of CYT997 when given by mouth.

The company is currently finalising formal preclinical toxicity studies for oral administration which will form the basis of the clinical trial regulatory submission.

Efficacy studies

The company is currently concluding planning for future Phase II studies for CYT997, including the application of the compound in highly-vascular cancers with poor prognosis such as hepatoma. Advancement of the compound into Phase II efficacy studies is necessarily contingent upon the findings of the Phase I clinical trials programme and regulatory approval, however the company intends to commence a Phase II trial shortly after the conclusion of each of the Phase I programmes.

Commercial Ready Grant

In December 2005 Cytopia was awarded an AusIndustry grant of \$3 million over three years to assist in the clinical development of CYT997. The grant will provide matching funds for the Phase I oral trial and initial efficacy studies of CYT997 as a monotherapy and potentially in combination with a front-line cytotoxic drug.

About Cytopia

Cytopia Ltd is an Australian biotechnology company focused on the discovery and development of new drugs to treat cancer, immune disorders and cardiovascular diseases. Cytopia conducts its research and development via subsidiaries based in Melbourne and New York and specialises in discovering new molecules that can inhibit enzymes known as kinases, an exciting new class of drugs.

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