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20 June 2003

Company Announcements Office
Australian Stock Exchange Ltd (ASX)
4th Floor, 20 Bridge Street
Sydney NSW 2000

Dear Sir/Madam

Please find herewith a commercially sensitive announcement “**Alchemia injection funds promising commercialisation prospects**” for distribution to the market immediately.

Yours sincerely

NICHOLAS MATHIOU
Finance Director



Media Release
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Alchemia injection funds promising commercialisation prospects

Medica Holdings Ltd (ASX: MCA) today announced it had acted as lead investor in a \$2.75 million capital raising for Australian drug discovery company Alchemia Pty Ltd, which will be used to speed up the commercialisation of its drug candidates.

Dr Kevin Healey, Medica's Managing Director and a Director of Alchemia said the funds would enable the company to progress the development of its lead prospects which include the production of a generic form of an anticoagulant product with a potential market in the vicinity of USD 750 million.

Medica invested a further \$1 million, lifting its stake to 20.7%. In addition to Medica, other existing shareholders AMWIN Innovation Fund, Australian Technology Group and Berne No. 132 Nominees Pty Ltd participated as well as a new investor, Northstate Capital, a Brisbane-based Pooled Development Fund.

Alchemia has also benefited from a successful \$0.85 million application to extend its START Grant, which is focused on developing the company's ability to generate new drug candidates based on its patented sugar-based technology.

"The new capital injection, together with the grant funding and imminent commercial prospects, not only take away the financing risk for the company, but set it up for a rapid growth phase which could include a public stock offering," Dr Healey said.

"Medica is very pleased to take this opportunity to increase its position in Alchemia, in view of the near term commercial prospects," he said.

Alchemia has also flagged that it would be restructuring its board in preparation for a public offering within 12 months.

About Medica Holdings Limited

Medica, an ASX-listed Pooled Development Fund, specialises in investing in the biotechnology sector. As well as its Alchemia investment, Medica also facilitated the establishment of subsidiary Cytopia (79% owned), which is developing a range of drug candidates against immune diseases and prostate cancer, and is the major shareholder in Xenome, holding 25% which is developing new drugs derived from venoms for the treatment of neurological disorders.

Under the PDF Scheme, Medica's shareholders are exempt from tax on capital gains or profits from the sale of shares. For further information, please visit www.medica.com.au, email info@medica.com.au or contact:

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Friday, 20 June 2003

Media Release

Source: **ALCHEMIA PTY LTD**

Alchemia completes equity raising, secures START Grant funding

Brisbane-based biotechnology company Alchemia Pty Ltd has announced that it has completed its latest round of capital raising of \$2.75 million.

Commenting today, Chief Executive Officer Dr Tracie Ramsdale said "It is pleasing that we have been able to complete this process. Market conditions are extremely tough at the present time, and we are pleased to have been able to secure this latest round of financing, which has been provided substantially by our current investors, who have continued to demonstrate their faith in our technology and processes".

Dr Ramsdale indicated that the latest round of funding would be used to continue current work on a number of key projects which are close to commercialisation. One of these projects is currently in late stage negotiations with pharma companies.

Investors in this current round include Medica Holdings Limited (lead investor to the round), Australian Technology Group Limited, Amwin Innovation Fund, Berne No. 132 Nominees Pty Ltd, and Northstate Capital Limited Pooled Development Fund.

Dr Ramsdale also indicated that following the completion of this current round of financing, the Company would be looking to restructure its current Board of Directors with the addition of several independent directors, in preparation for a potential IPO within the next twelve months.

Dr Ramsdale also announced that the Company had recently gained approval from the Industry Research and Development Board for an extension of its current Start Grant "GRA01962 Automation of Combinatorial Carbohydrate Libraries". The extension to the Start Grant provides additional funding of approximately \$850,000 during the period from 1 July 2003 to 30 December 2003. This work is focused on developing the company's ability to generate new drug candidates based on its patented sugar-based technology.

For further information, please contact :

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WHO IS ALCHEMIA?

ALCHEMIA is an Australian-owned biotechnology company with expertise in the chemistry of CARBOHYDRATES. The company's focus is drug discovery and development, both "in-house" and for a growing list of international partners and collaborators.

The company was founded in 1995 by leading Australian scientists Dr Tracie Ramsdale, Professor Peter Andrews and Professor Istvan Toth.



Today, Alchemia employs approximately 25 staff, of whom a substantial number hold doctorates in chemistry and biochemistry. Many of these staff members were recruited from leading research centres across the world.

Alchemia CEO Dr Tracie Ramsdale, VP for Business Development Kris Dyszynski and Chairman Dr Paul Goddard all have extensive experience in the successful commercialisation of innovative biotechnology.

The company has negotiated key international alliances - such as that with The Dow Chemical Company's Pharmaceutical Services Unit - without selling to overseas players. Alchemia retains ownership of all intellectual property, and corporate control remains in Australia.

Alchemia operates a research facility in Brisbane, Australia.

WHY CARBOHYDRATES?

Carbohydrates are the last frontier of large biological compounds to be exploited as potential therapeutic compounds.

Carbohydrates--which include sugars and starches--are found on the surface of every cell in our body. These complex compounds play a critical role in the biochemical processes of human development, growth and health.

It is no wonder, then, that carbohydrates are implicated in many debilitating or deadly conditions, from cancer and heart disease to microbial infections, blood clotting and auto-immune diseases like arthritis.

Because carbohydrates are so complex, and carbohydrate chemistry is difficult, the compounds have been the Cinderella of drug discovery....until now.

Thanks to its breakthrough "VAST™" technology, Alchemia has made it affordable to explore, develop and exploit the enormous potential of carbohydrates.

WHAT IS ALCHEMIA'S "VAST™" TECHNOLOGY?

Thanks to its breakthrough Versatile Assembly on Sugar Templates (VAST™) technology, Alchemia has made it affordable to explore, develop and exploit the enormous potential of carbohydrates as a foundation in drug discovery (VAST™ produces drug candidates which are no longer carbohydrates).

Alchemia's VAST™ technology is a system for quickly and cost effectively building large numbers of designer carbohydrates in a test tube. The resulting novel compounds can be easily manipulated and manufactured in bulk, something not possible with existing research-oriented techniques.

Very simply, VAST™ consists of a carbohydrate scaffold, to which organic compounds such as amino acids can be attached, much like pieces in a Leggo set. The number of drug candidates that can be tailored using VAST™ is enormous.

For instance, there are 20 common amino acids in the human body. If researchers wished to link just 5 amino acids into a leggo-like chain called a "peptide" they could make 120 different peptides.



But if they linked five monosaccharides together to form a “pentasaccharide”--a complex carbohydrate--they could create a staggering 31 million novel pentasaccharides. These can all be evaluated as potential drug candidates...a huge increase in the number of “chances” of discovering a new drug.

WHAT PATENTS DOES ALCHEMIA HOLD?

Alchemia has already applied for patents on the key aspects of its VAST™ (Versatile Assembly on Sugar Templates) technology platform, and has 16 further patent applications in the pipeline, covering the application of this technology for specific therapeutic areas. Key patents for the “enabling” technology include

- “Oligosaccharide Synthesis” was granted European Patent number 0923528 in November 2002; approval granted US in August 2002 number 10/231,909 and number 09/242,816; and Australian Patent number 728149 in July 2002.
- “Protected Aminosugars” was granted US Patent number 6462183 in October 2002; and Australian Patent number 730910 in May 2001.
- “Protecting and Linking Groups for Organic Synthesis” was approved to grant in Australia in December 2002; number 93303/98.

Although Australia, the US and Europe have slightly different patenting procedures, all generally follow a three-stage process:

- Patent applications are examined for novelty and patentability
- Initial approval is announced
- Final approval is granted.

WHAT ARE SOME OF ALCHEMIA’S DRUG DISCOVERY PROJECTS?

Alchemia plans to use VAST™ Technology to explore numerous carbohydrate-based therapeutic agents, alone or in PARTNERSHIP with pharmaceutical and biotechnology companies and universities.

Some projects target

- New antibiotics
- Anti-cancer drugs to treat
 - Lung cancer
 - Gastrointestinal cancer
 - Head and neck cancer
 - Prostate cancer
- Eating disorders such as obesity and anorexia
- Anti-thrombotic (anti- blood clotting) drugs for surgical procedures, heart diseases and deep vein thrombosis



WHO ARE ALCHEMIA'S PARTNERS?

Alchemia has forged an alliance with the US giant Dow Chemical Company for industrial-scale synthesis of carbohydrate-based pharmaceutical and health-promoting "nutraceutical" products.

Alchemia has an alliance with The Dow Chemical Company in the manufacture of carbohydrates, and screening agreements with major pharmaceutical companies for access to specific VAST™ carbohydrate "libraries".

WHO DO I TALK TO AT ALCHEMIA?

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