



**Solagran Limited**

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**Company Announcement**  
**Results from Detailed Morphological Study Clearly Demonstrate Capacity**  
**of *Bioeffective R* to Regenerate Damaged Liver Cells**

As a follow up to the Company's announcement on 24 September, 2003 the Directors of Solagran Limited are pleased to announce the results of an in-depth morphological study of regenerated liver tissue in rats treated with *Bioeffective R* after partial liver resection or hepatectomy (surgical removal of part of the liver).

The September 24 announcement signalled the potential for *Bioeffective R* to be used as a treatment for hepatitis, cirrhosis and other chronic liver diseases. This detailed morphological study, conducted at the St Petersburg Medical Academy of Post-Graduate Studies (MAPS), clearly demonstrated the ability of *Bioeffective R* to regenerate damaged liver cells. If replicated in human trials, this finding will represent a breakthrough in the treatment of hepatitis, cirrhosis and other chronic liver conditions.

In the original trial, after removing part of the rat's liver, a liver-damaging toxin was administered. The rate at which the animals overcame the effects of the toxin was used to assess the recovery of their liver function. It was clear from the original trial that the animals treated with *Bioeffective R* regained anti-toxic liver function comparable to that of the animals that were left intact. This did not occur in the control group.

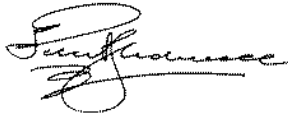
As a result of the detailed morphological analysis conducted at the end of the trial, Dr. Elena Lapteva, Professor of Gastroenterology at MAPS, and the coordinator of Solagran's clinical trials program, revealed that in animals treated with *Bioeffective R*, not only was the lost hepatic tissue regenerated, but also, that the regenerated tissue comprised fully functioning liver cells. "We found that in animals treated with *Bioeffective R*, even after exposure to a liver-damaging toxin and partial liver resection, there was no further liver tissue destruction and no disruption in the metabolism of the liver cell itself" she said.

According to Solagran Director and Strategic Advisor, Denis Kilroy, "If *Bioeffective R* can renew the liver by regenerating liver cells and restoring liver function in humans to anywhere near the extent we have demonstrated in animals, then as well as a potential treatment for hepatitis and other chronic liver diseases, our scientists in St Petersburg may well have discovered a way to help prevent the onset of a whole range of degenerative diseases" he said.

Solagran has applied for patent protection to safeguard the findings of this study. The results will be published in a peer-reviewed scientific journal in due course.

Solagran's clinical trials program on the use of *Bioeffective R* to treat serious liver conditions is well underway and the Company plans to begin discussions with potential commercial partners within the next six months.

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Peter Stedwell  
Director

### ***Solagran Limited***

*Solagran Limited is an Australian company founded in 1995 with the objective of commercialising the results of a research and development program that commenced in Russia in the 1930s, and which has continued, uninterrupted, until the present day. The focus of the research program has been the extraction and utilisation of the live elements of tree foliage. Solagran has collectively trademarked these substances using the term Bioeffectives<sup>®</sup>.*

*Solagran's technology permits it to obtain many different Bioeffectives from tree and plant sources. One of the highest value Bioeffectives is a class of organic substances known as polyprenols. Polyprenols are naturally occurring analogues of dolichol, which is found in all of the vital organs of the human body, and which plays an essential role in cell metabolism and in supporting the immune system.*

*Solagran has committed significant resources to the development and testing of Bioeffective R – a Bioeffective comprising polyprenols. Initial indications suggest Bioeffective R may have a very positive impact on damaged liver cells – particularly in patients suffering from hepatitis, cirrhosis and other chronic liver conditions.*