Alchemia

23 April 2013

Alchemia Announces Multi-Target Drug Discovery Collaboration with AstraZeneca on VAST Discovery Platform

- *ALCHEMIA IS ELIGIBLE TO RECEIVE UP TO $240M IN MILESTONES, PLUS R&D EXPENSES AND ROYALTIES*
- *COLLABORATION INCLUDES MULTIPLE TARGETS SELECTED BY ASTRAZENECA*
- *ALCHEMIA PROVIDES ACCESS TO VAST DISCOVERY PLATFORM AND EXPERTISE*

Brisbane, Australia 23 April 2013 – Alchemia Limited (ASX:ACL), a drug discovery and development company, today announces that it has signed a multi-target, drug discovery collaboration with AstraZeneca AB (AstraZeneca).

This collaboration includes the use of the proprietary Diversity Scanning Array (DSA) and associated Versatile Assembly on Stable Templates (VAST) chemistry platform to discover and develop novel small molecules against multiple AstraZeneca targets. Alchemia will provide VAST chemistry expertise to develop small molecule clinical candidates for AstraZeneca. By accessing Alchemia's VAST discovery platform, AstraZeneca will seek novel small molecules to treat diseases across a variety of therapeutic areas including oncology, respiratory, cardiovascular, metabolism, infection and neuroscience.

"We are excited to work alongside AstraZeneca's teams to explore the applications of our proprietary VAST technology against a range of targets," said Dr. Wim Meutermans, VP of Discovery at Alchemia and co-inventor of the VAST platform.

"This collaboration has the potential to demonstrate the unique capabilities and value of VAST and is a pivotal step in the commercialization of both the DSA and the VAST platform. I look forward to developing a strong and productive alliance with AstraZeneca over the coming years."

"Alchemia's DSA library and expertise in carbohydrate chemistry are welcome additions to our small molecule corporate collection and early discovery hit finding activities," said Mike Snowden, Head of Discovery Sciences at AstraZeneca. "We are looking forward to working with Alchemia to maximise the potential of this novel platform in early phase drug discovery at AstraZeneca."

Under the terms of this Agreement, Alchemia will receive an undisclosed upfront payment and is eligible for potential preclinical, clinical and commercial launch payments totalling up to $240M, as well as a single digit royalty.

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Alchemia Limited
Brisbane Head Office
(ACN 071 666 334 ABN 43 071 666 334)
3 Hi –Tech Court Brisbane Technology Park
Eight Mile Plains QLD 4113 Australia
PO Box 4851 Eight Mile Plains QLD 4113, Australia
T +61 7 3340 0200 **F** +61 7 3340 0222

Melbourne Office
Ground Floor, Room BG08, Building 13B
Department of Biochemistry and Molecular Biology,
Monash University,
Wellington Road, Clayton, VIC 3800, Australia
T +61 3 9905 3760 **F** +61 3 9905 3726

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About VAST

Alchemia has designed a suite of novel compounds that scans three dimensional molecular shapes and peptidomimetic functionality termed the Diversity Scanning Array (DSA). This array contains over 14,000 unique compounds related by their shape (chemoform) and/or by their functionality (motif, three binding elements). The DSA forms the basis for Alchemia's VAST discovery platform which, when screened in high throughput screening (HTS), can identify the shape and binding elements required for target modulation. Hits from the DSA are related by shape and/or functionality and thus provide detailed structure activity relationships for rapid optimisation.

About Alchemia – www.alchemia.com.au

Alchemia is a drug development company with late stage oncology product pipeline (Phase II and III), and an FDA approved drug ("Fondaparinux").

Fondaparinux (a generic version of GlaxoSmithKline's Arixtra®) is an injectable anticoagulant approved in the US for the prevention and treatment of deep vein thrombosis (DVT) after knee or hip surgery. The ANDA for generic fondaparinux was approved by the US FDA in July 2011 and launched in the US by marketing partner Dr Reddy's Laboratories. Alchemia received its first profits from sales of Fondaparinux in August 2012.

Alchemia's pipeline of oncology products is built on the proprietary platform technology: HyACT® (targeted cancer delivery), which is used to selectively target cancer drugs to tumours. The primary objective of the HyACT® technology is to develop a new generation of anti-cancer drugs which demonstrate better efficacy. Alchemia has recently announced the final recruitment for its most advanced cancer drug – HA-Irinotecan which is in Phase III for the treatment of metastatic colorectal cancer.

In addition, Alchemia has a platform technology, VAST®, discovery drug discovery platform, which is based on Alchemia's chemistry expertise. VAST is run on a business model designed to limit use of cash expenditure through the use of partnerships and government grants. Alchemia has projects running with academic institutions and evaluation underway with global pharmaceutical partners.

Contact

Alchemia Limited
Charles Walker
Chief Executive Officer
Alchemia Limited
Tel: +61 7 3340 0200

Media enquiries, Australia:
Emma Power or Rudi Michelson
Monsoon Communications
+613 9620 3333
emmap@monsoon.com.au

Investor Relations USA:
Laura Forman
Blueprint Life Science Group
+1 415 375 3340 Ext. 103
lforman@bplifescience.com