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ASX & MEDIA RELEASE

CEPHALON TAKEOVER OFFER FOR ARANA DECLARED UNCONDITIONAL

The Directors of Arana Therapeutics Limited ('Arana') provide this update to inform Arana shareholders that the takeover offer from Cephalon, Inc (the 'Cephalon Offer') has now been declared unconditional. This means that upon Arana shareholders accepting the Cephalon Offer, they will be sent their cash consideration within five business days of the receipt of their valid acceptance by Cephalon.

Cephalon has also declared its offer final. This means that Cephalon can not by law increase the Offer from \$1.40, except for the increase to \$1.45 per Arana share if Cephalon obtains a relevant interest in 90% of Arana shares during the Offer period.

As previously communicated, the Cephalon Offer is adjusted for the five cent per share special dividend which has already been paid. This means that you will receive \$1.35 per share in cash after accepting the offer unless Cephalon obtains a 90% relevant interest in which case you will receive \$1.40 per share in cash.

The Cephalon Offer is scheduled to close, unless extended, on 1 June 2009.

Cephalon now has an interest in 53.44% of Arana. If Cephalon does not gain 90% acceptance, it will still have effective control of Arana. Arana shareholders who do not accept the Cephalon Offer in accordance with the terms of the Offer will remain shareholders in Arana. This may have a number of implications for remaining Arana shareholders. These implications are discussed in detail on page 27 of the Arana Target's Statement dated 24 March 2009.

The Directors of Arana continue to recommend that, in the absence of a superior proposal, you ACCEPT the Cephalon Offer. Importantly, the Cephalon Offer is the only offer available to Arana shareholders and the Directors have now accepted the Cephalon offer in respect of all the shares in Arana that they own or control.

If you have any further questions on this announcement please contact the Arana shareholder information line on 1300 206 331 or +61 2 9237 2800 if calling from outside Australia.

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About Arana Therapeutics:

Arana Therapeutics (ASX: AAH) is a biopharmaceutical company focused on developing next generation antibody based drugs that will improve the lives of patients with inflammatory diseases and cancer.

Arana Therapeutics' innovative engineering technologies provide the basis for developing its next generation antibody candidates. Arana Therapeutics has the financial strength and management expertise to develop its product pipeline.

Arana has a significant track record of commercialising its technologies and has collaborations with GlaxoSmithKline (GSK), CSL, Kyowa Hakko Kirin (KHK), and licensing arrangements with Centocor (J&J) and Abbott Laboratories.

For further information: www.arana.com.

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