



4 September 2008

MEDIA RELEASE

Spinifex Secures A\$12m Investment to Develop Pain Drug

- Investment by GBS Venture Partners, Brandon Capital and Uniseed
- First A\$6m Tranche Received, Second at Phase II
- Phase II Trial Targeted for 2009

Spinifex Pharmaceuticals, an Australian pain drug development company, today announced it has secured venture capital investment of A\$12 million from GBS Venture Partners Limited, Brandon Capital Partners and Uniseed to fund the development of its pain management drug, EMA401.

The funding is in two tranches, the first \$6 million has been received and the second tranche has been targeted for Phase II clinical trials of EMA401 due to start in late 2009.

Based in Melbourne, Spinifex was established in 2005 to develop new drug candidates for the treatment and management of pain. Its lead candidate, EMA401, is currently in Phase I clinical trials under an Investigational New Drug application (IND) with the United States Food and Drug Administration (FDA), with results from the first clinical trial expected at the end of this year or early 2009.

Spinifex's clinical program is focused on an area of high unmet medical need. Demand for pain drugs continues to increase, fuelling the growth of a market that is expected to be worth US\$75 billion annually by 2010.

Spinifex's principal technology relates to the discovery made by University of Queensland researchers led by Professor Maree Smith, of a novel pathway for the treatment of neuropathic and inflammatory pain.

Spinifex Pharmaceuticals CEO Tom McCarthy said: "We are very pleased to have secured the support of these key investors, and are buoyed by the strength of the venture capital funding system in Australia for companies with strong prospects, particularly in the context of the ongoing pressure on listed biotechnology companies."

"The support of these three institutions validates our research effort to date and provides us with the platform to take our clinical candidate EMA401 closer to commercialisation."

The investment by GBS Venture Partners and Uniseed is the second investment in Spinifex for both funds. Along with Symbiosis Group, they were part of a 2005 syndicate that invested A\$3.25 million into the company that was spun out of UniQuest, the commercialisation arm of the University of Queensland.

"We have identified a clear and valuable market for Spinifex's lead compound and believe the company's clinical program is well placed to serve a significant and growing global market," GBS's Dr Andrew Baker said.

"Brandon Capital is excited by the opportunity to participate in what we see as a very significant clinical program," Brandon Capital's Chris Nave said.

Dr McCarthy said while the new funding is being targeted at developing the company's lead candidate through Phase II clinical trials, management are also working towards deepening Spinifex's clinical pipeline.

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Spinifex Pharmaceuticals Pty Ltd

Spinifex Pharmaceuticals Pty Limited is an Australian biotechnology company undertaking drug development activities leading to the commercialisation of potential new drug candidates for the treatment and management of pain.

The Company's core strategy is to in-license promising pain drugs at an early stage of development from academic and commercial institutions, and to add value to these drug candidates by designing and implementing effective development programs.

www.spinifexpharma.com.au

Brandon Capital Partners

Brandon Capital Partners makes seed and venture capital investments into emerging businesses in the high-growth life science industry. Brandon Capital Partners' team has a track record of successful life science investment as well as a history of working in research, operations and business development in the healthcare industry.

www.brandoncapital.com.au

GBS Venture Partners Limited

GBS Venture Partners is Australia's leading life science venture capital group with in excess of \$400 million under management. GBS invests from seed through early expansion stage and has invested in more than 30 life science companies.

www.gbsventures.com.au

Uniseed

Uniseed is a \$61 million commercialisation fund operating at the Universities of Melbourne, New South Wales and Queensland. Apart from these three universities, Western Australia's largest non-government superannuation fund, Westscheme, is also a member. Uniseed has made over 30 investments in technologies arising from its three partner universities including Vintela (AVCAL Best Early-Stage Deal 2005) and QRxPharma Ltd (largest biotech IPO in ASX history).

www.uniseed.com.au