Alchemia Limited

ASX:ACL

Annual General Meeting

21st November 2008

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Overview

- Founded 1995, listed on ASX (ASX:ACL) Dec 2003

- Small molecule biopharmaceutical company n = 20
  - Generic fondaparinux – expected launch 2009
    - Manufacture and marketing agreement with Dr Reddy's

  - HyACT™ - tumor-targeting technology
    - Successful phase II trial of HA-irinotecan in colorectal cancer
    - IND open for Phase III
    - Multiple oncology applications e.g. mAbs

Pipeline

Therapeutic area	Drug	Action	Disease/ condition	Stage	Estimated date	Partner
Cardiovascular	Generic fondaparinux	Indirect factor Xa inhibitor	VTE	Preparing to file	FY 2009- ANDA CY 2009- Market launch	Dr Reddy's
Oncology	*HA-Irinotecan*	Topoisomerase I inhibitor	Colorectal cancer	Clinical - Ph II complete	CY 2008 - IND CY 2009- Phase III	
Oncology	HyACT® antibodies	Various	Cancer	Preclinical	–	

Events during past year

Generic Fondaparinux

- Completion of technology transfer to Dr Reddy's
- All technical issues in commercial scale-up now resolved
- Preparation for filing of DMF and ANDA well advanced
- Granting of key US patent for synthetic process

HyACT/Oncology

- Successful meetings with US and EU regulators
- FDA approval of IND for Phase III registration trial
- New clinical strategy after new data presented at ASCO
- Granting of key HyACT patent in EU
- Formation of Clinical Advisory Board

Events during past year

Company restructuring

- 60% reduction in headcount
- 50% reduction in cash burn to $0.5m per month
- Sufficient cash for 2 years of operations

- Exploring opportunities to extract value from VAST drug discovery platform
  - Main VAST screening library will be completed shortly
  - UQ collaboration has yielded analgesic molecules with novel profiles

Generic fondaparinux

A unique generic opportunity

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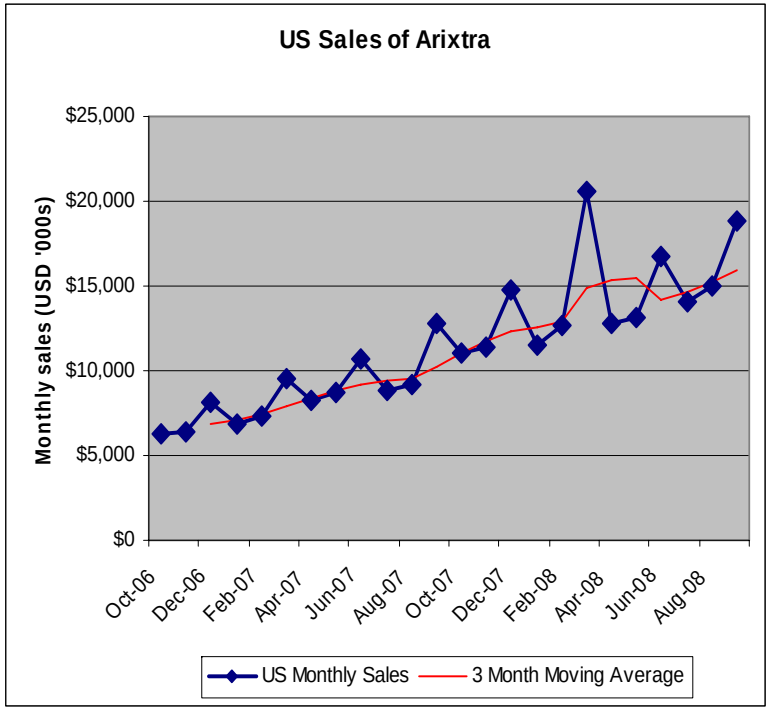
fondaparinux sodium - background

- Marketed by GSK as Arixtra™
  - US MAT to September $172m (+70%)*
  - Launched in US in 2003
  - US patents expired 2002
- Factor Xa inhibitor
  - Once-daily injectable anticoagulant
  - Approved for all major indications, 'approvable' for ACS Feb 2007
- US data exclusivity expired
  - EU exclusivity expires 2012



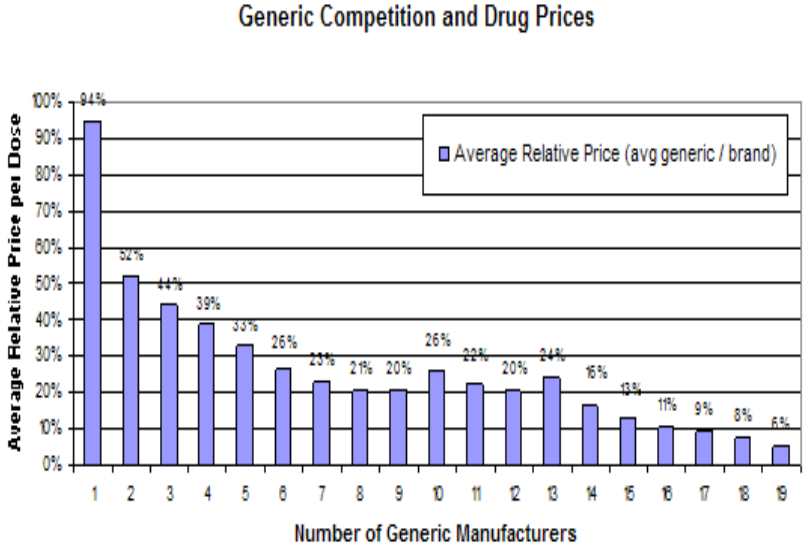
*Source: IMS Data

Fondaparinux – unique opportunity

- API very difficult to manufacture at scale
  - Originator (Sanofi) took >10yrs to scale-up synthesis
- Alchemia has developed a novel fondaparinux synthesis
  - Patent protected (granted in US)
  - Successful manufacture at commercial scale
- Approval via ANDA route, paragraph II
  - Fully synthetic molecule
  - Will not face same regulatory issues as generic LMWHs
- Likely to be first, and potentially only, generic
  - No other sources of API identified

Fondaparinux – market dynamics

- Similar dynamics to Paragraph IV generic filings
  - First generics typically gain 40%+ Rx share
  - Prices remain high
  - Low SG&A costs
- But exclusivity >> 180 days
  - Long lead-time for other generics
  - High cost of entry



Source: FDA analysis of retail sales data from IMS Health, IMS National Sales Perspective (TM), 1999-2004, extracted February 2005

Current status

- API manufactured under exclusive agreement with Dr Reddy's Laboratories, Hyderabad
  - Dr Reddy's is #3 in US for number of approved DMFs
- Partnered with Dr Reddy's Inc. for US market
  - 60% share of profit to Alchemia under certain conditions
  - Minimum 50% share of profit
  - Reddy's has first rights for EU market
- DMF and ANDA in preparation for filing
  - Launch anticipated H2 2009

Economics of generic fondaparinux

Sales of brand**

Act. 2007 US$119m

Est. 2008 US$200m (+67%)

Fcst. 2009 US$250-300m*

Sales of generic

DR. REDDY'S
LIFE. RESEARCH. HOPE

Est. 40-50% Rx share

~20% discount to brand

Profit to Alchemia

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50%-60% share of profit

= approx 30-35% of generic sales

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*excluding any impact on sales of launch of ACL generic
** based on IMS data

Alchemia Oncology

HyACT and HA-irinotecan

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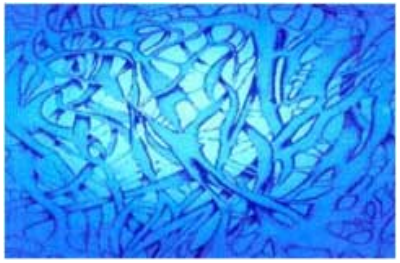
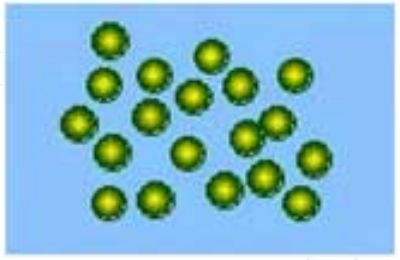
HyACT® Technology Platform

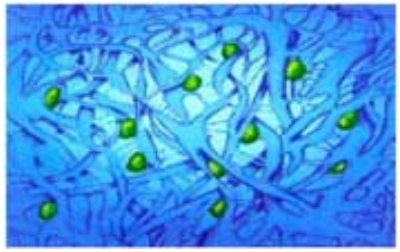
Hyaluronic acid (HA) used to target chemotherapy agents to tumors



Hyaluronate (HA)



Anti-cancer drug



The drug is formulated within HA matrix.

HA selectively binds to cancer cells via HA receptors (CD44) delivering more drug to tumor.

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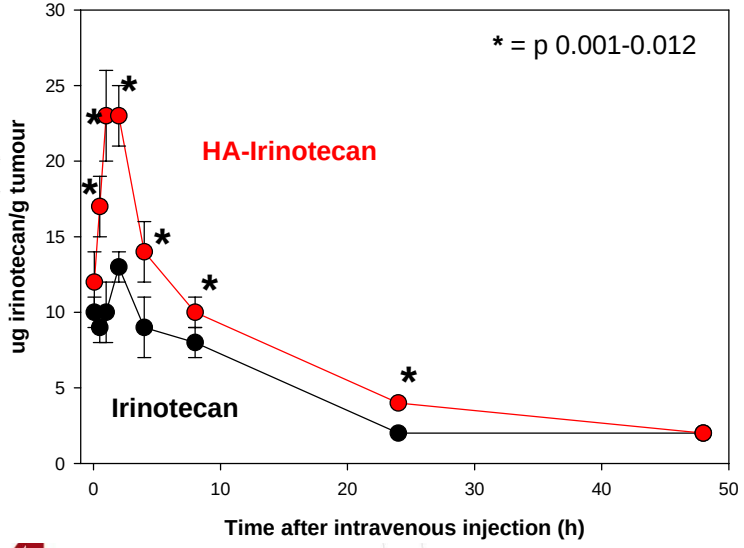
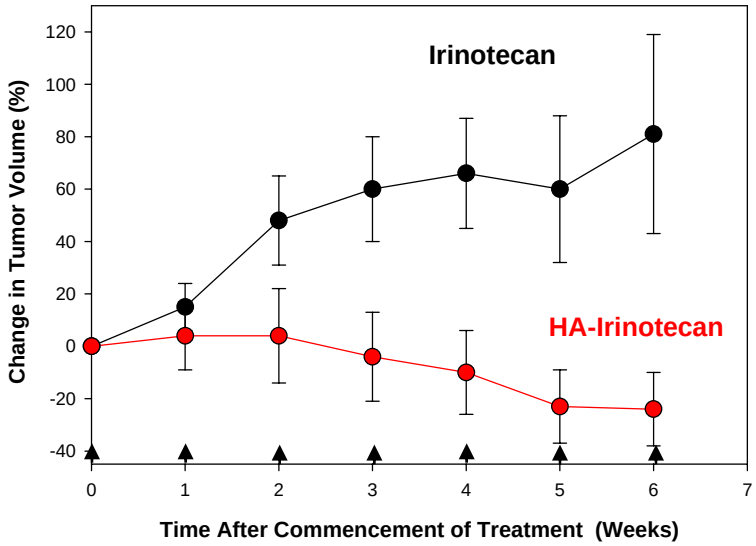
Preclinical Efficacy of HA-irinotecan

- HA-irinotecan delivers 2-4-fold more drug to the tumor
- HA-irinotecan increases survival in models of human colon cancer

Intratumoral concentration of irinotecan in mice treated with irinotecan or HA-irinotecan



GEO Colon Tumours treated with Irinotecan or HA-Irinotecan



HyACT Platform

- Tumor targeting through Hyaluronic Acid (HA) receptors
  - Activated CD44 over-expressed in majority of tumor types
  - $CD44^{+}$ is an established marker for cancer stem-cells
  - Enhancement of activity dependant on CD44 expression
- Hyaluronic acid is approved for human use
  - Used in eye and knee surgery and as dermal filler
  - Naturally occurring polysaccharide
  - GMP material available at scale from bacterial fermentation
- Enhanced anti-tumor effects seen with multiple agents
  - Water-soluble small-molecule drugs and biologicals

HyACT – human experience

Test Compound	Patient Population	Number of patients	Safety
Phase I studies			
Hyaluronic acid (HA)	Healthy volunteers	8	√
Hyaluronic acid (HA)	Healthy volunteers	24	√
HA-fluorouracil	Metastatic Colorectal	14	√
HA-doxorubicin	Metastatic Cancers	16	√
HA-irinotecan	Metastatic Colorectal	13	Reduced diarrhea and neutropenia
Phase II study			
HA-irinotecan	Metastatic Colorectal	80	Equivalent to irinotecan

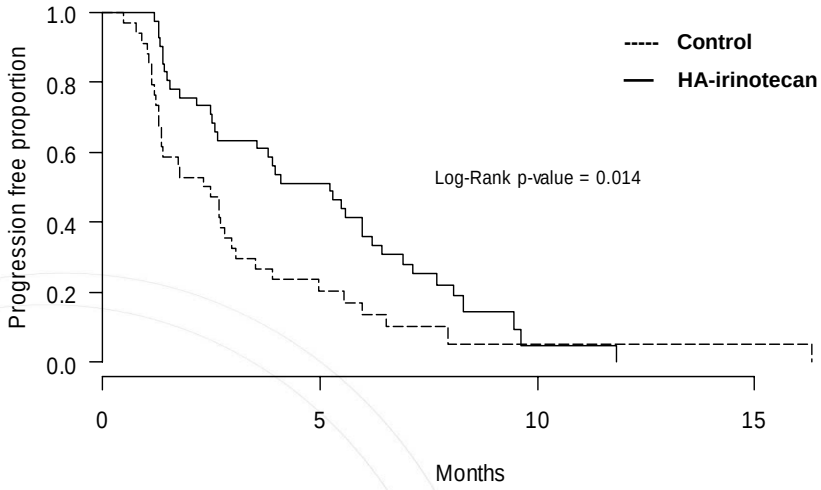
HA-irinotecan - Phase II trial summary

- 2nd line mCRC, 5-FU failures (85% FOLFOX), ECOG 0-1
  - 80 patients, 1:1 randomization
    - irinotecan 350mg/m^2 vs HA-irinotecan (350mg/m^2 irinotecan, 1000mg/m^2 HA) every 3 weeks
    - Well matched demographics and prior treatment
  - Significant increase in PFS (+116%, p=0.017)
  - Significant increase in TTF (+123%, p=0.007)
  - Significant increase in disease control by RECIST (76% vs 46%, p=0.053)
  - Trend towards increase in OS (10.0m vs 8.0m, p=0.2)
  - No difference in toxicity
  - No difference in plasma PK of irinotecan or SN-38
  - No difference in dose intensity per patient per cycle

HA-irinotecan Phase II - Efficacy

- Significant increase in progression-free survival (5.2 vs 2.4 months)
- Significant increase in time to treatment failure (4.0 vs 1.8 mths)

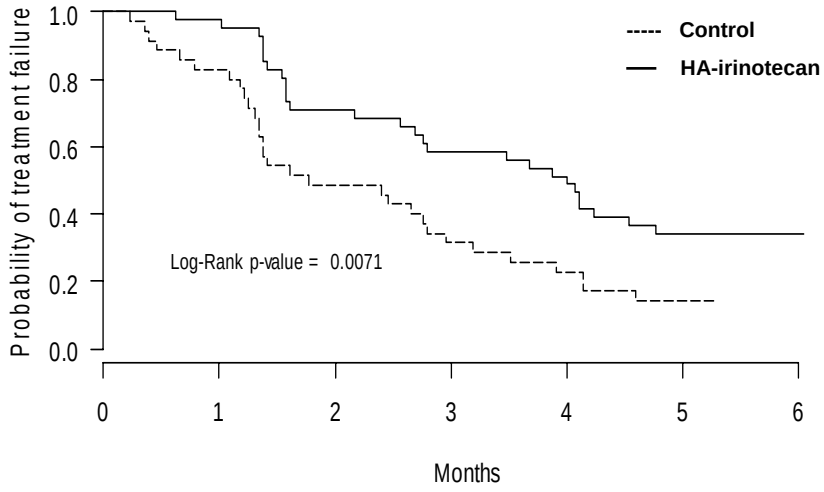
Progression-free survival (PFS)



Hazard ratio 0.46 p= 0.0107

After adjustment for prognostic factors

Time to treatment Failure (TTF)



Hazard ratio 0.49 p= 0.024

After adjustment for prognostic factors

Major treatments for mCRC

1st Line mCRC

FOLFOX/CAPOX +/- Avastin®

2nd Line mCRC

FOLFIRI

PFS ~2.5m

Irinotecan + Erbitux®

PFS ~4.0m

2nd Line after CRYSTAL

Kras mutants

FOLFIRI

PFS ~2.5m

Kras wild-type

Irinotecan + Erbitux®

PFS ~6.0m

HA-irinotecan - Phase III plans

- 505(b)(2) route, single pivotal trial required
- IND open for HA-irinotecan + Erbitux vs irinotecan +Erbitux
  - 740 patients, 1:1 randomization, blinded
  - 2nd line mCRC, K^{ras} wild-type, $EGFR^{+}$
- Opportunity after ASCO for FOLFIRI vs FOLF(HA)-iri*
  - Approx. 40-50% patients ineligible for Erbitux 2nd line
  - 350 patients, 1:1, blinded, 2nd line mCRC
  - Smaller, shorter, lower cost study

* Leucovorin + 5FU + irinotecan vs leucovorin + 5FU + HA-irinotecan

Alchemia - Financial Summary

- Cash on hand Sep 2008 — A$ 12.3 million
- Cash burn after restructure — A$ 6.0 million pa

- Capital structure
  - Ordinary shares (06/08) — 160 million
  - Unlisted options — 7.5 million
  - Top 20 holders own — >65 %

- Current price — A$ 0.13
- Market Cap — A$ 22m

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Summary

- Preparing DMF and ANDA filing for fondaparinux
  - Launch anticipated in H2 2009
  - Significant revenue opportunity
- Preparing for pivotal Phase III trial of HA-irinotecan
  - Opportunity to commence trial in H1 2009
- Multiple opportunities for HyACT technology
  - Supergenerics
  - Lifecycle management
  - Antibodies
- 2 years cash, sufficient to reach fondaparinux revenues