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ASX/MEDIA RELEASE

CHEMEQ OPENS SYDNEY SALES OFFICE

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Pharmaceutical company Chemeq Ltd (ASX: CMQ) today announced it will establish a sales (and technical service) office at Australian Technology Park in Sydney. The opening of the Sydney office is the first step in Chemeq's global push for the sales of its products, including CHEMEQ[®] polymeric antimicrobial (for pigs) and CHEMEQ[®] polymeric antimicrobial (for poultry). This opening will be followed by the establishment of a network of other regional offices in major overseas markets.

"The sales and marketing team has completed many months of preparation for the launch of Chemeq's products, initially in South Africa and New Zealand, followed by Thailand and Australia and other overseas countries," said Dr Graham Melrose, Chairman and CEO of Chemeq Ltd. "This has culminated in the appointment of a global logistics company to facilitate the receipt and delivery of orders."

Already, Chemeq has received AUD\$1 million pre-orders from South Africa of CHEMEQ[®] polymeric antimicrobial (for pigs), containing one tonne of active ingredient, enough to satisfy approximately 20% of the South African market.

The total, potential markets for Chemeq's two products are estimated at AUD\$9 billion.

MANUFACTURING FACILITY UPDATE

Chemeq also announced today that it has exercised its right to purchase the land upon which its manufacturing facility is constructed, for AUD\$2 million.

Construction of all infrastructure including formulation areas, warehouse, laboratories and offices to accommodate a production rate equivalent to 750 tonnes of active ingredient per annum is complete.

This infrastructure will support and formulate active ingredient from manufacturing plant 1 (MP1; 20 tonnes/per annum) and manufacturing plant 2 (MP2; 200 tonnes/per annum). The United States FDA restricts manufacturing increases to 10-fold expansions.

"All production staff have been recruited and will soon begin training in Good Manufacturing Practice and Occupational Safety, Health & Environment. At the manufacturing facility, staff of Chemeq now occupy the infrastructure, and are engaged in validation and pre-commissioning of MP1. First commercial production is scheduled for February 2004," said Dr Melrose.

Current photos of the manufacturing facility are posted on Chemeq's website: www.chemeq.com.au.

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