



ASX Announcement

BioDiem wins \$2m AusIndustry Grant Award

Melbourne 21 December 2005. Australian biopharmaceutical development company BioDiem Ltd (ASX: BDM) has been awarded a \$2.146 million grant from AusIndustry under the Commercial Ready scheme.

BDM-I is a non-antibiotic antimicrobial being developed to enhance growth and feed conversion in chickens. The \$2.146 million grant will be matched by an equal contribution from BioDiem and will be used to accelerate its development as a potential substitute for the prophylactic use of antibiotics in animal feed.

The first studies will be large scale field trials in Australia and Europe under commercial poultry rearing conditions. Following assessment of those results, other studies such as long term toxicology, tissue residues, environmental assessment and scale-up manufacturing will advance the product towards registration.

BioDiem Ltd CEO, Tom Williams said: "This grant will speed up the development of a product that could fill a vital gap in feedstock supplements with the banning of antibiotics. The Commercial Ready Grant system is highly competitive and we appreciate the confidence the Australian Government has shown in BioDiem's research. The grant is recognition of the potential medical and commercial benefits of developing BDM-I as a non-antibiotic feed additive."

"Widespread antibiotic use in animals is suspected to have led to the development of resistance in humans and many regulatory authorities, including Australia, are moving to severely restrict or ban their use. From January 1, 2006 Europe will ban the routine prophylactic use of antibiotics in animal feed. The US has already banned fluoroquinolones and while they are moving more slowly than Europe, fast food organisations and other customers in the US are already causing producers to adapt and find alternatives."

BioDiem Ltd is an Australian listed company, based in Melbourne, with an international focus on finding, adding value to and commercialising world-class research for vaccines, infectious diseases and other therapeutic areas. Other key products in BioDiem's portfolio include an intranasal, live attenuated influenza vaccine in preclinical development for both epidemic and pandemic flu and a small peptide BDM-E, expected to enter clinical trials in 2006 for the treatment of retinal eye diseases. The company takes a cost efficient approach to drug development by project managing a portfolio of new products through collaborations with academic centres of excellence, contract research organizations and partnerships with international pharmaceutical companies.

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