



ASX Announcement

Date: 6 April 2006

BioDiem announces results in recent feed additive trials for BDM-I

Thursday, April 6, 2006: BioDiem Ltd (ASX: BDM) announced today that two independent studies in Queensland have added to evidence that BioDiem's feed additive BDM-I is a potential replacement for antibiotics like zinc bacitracin in poultry feed.

In the first field trial in 1300 chickens BDM-I produced feed conversion ratios that were statistically similar to zinc bacitracin, which has been a regular prophylactic additive to poultry feed.

Tom Williams, BioDiem's CEO, said: "Antibiotics like zinc bacitracin are now banned from use in animal feed in Europe and are gradually being withdrawn in the rest of the world, although Australia still persists in their use to our surprise. The market for replacements is still in its infancy, but there is interest from the industry in alternatives that avoid the issues with antibiotics."

BDM-I is a synthetic, non-antibiotic compound that has activity against a broad range of bacteria, fungi and protozoa that can cause disease and loss of production in poultry. Laboratory studies have shown no resistance developing to BDM-I in tests to date and the compound is not significantly absorbed from the gut, so there are negligible tissue residues.

In the second field trial in 3600 chickens a coccidiostat plus BDM-I produced feed conversion ratios that were statistically similar to a coccidiostat plus zinc bacitracin. BDM-I alone was also compared against a combination of a coccidiostat and zinc bacitracin. BDM-I on its own was not as effective as this combination, which showed a statistically significant 2.6% improved feed conversion ratio relative to a negative control, while BDM-I on its own, in this trial, was not significantly better than the control.

Tom Williams commented that this tended to suggest BDM-I could not replace both a coccidiostat and an antibiotic at the same time in poultry feed. "The testing we have done has shown a variation in biological systems, which reflects the variation you'd expect to see under different commercial conditions in working sheds. And in this trial the powerful combination of both these ingredients only produced a slight improvement over control groups, which may suggest there was little or no disease present in this flock during their 42 day growing cycle."

"We can see a place for BDM-I in animal feed, as a likely replacement for the regular prophylactic use of antibiotics such as zinc bacitracin, to help prevent the gastro diseases that can devastate a flock, if a significant infection takes hold."

Europe is still using coccidiostats, but not antibiotics, so BioDiem's next Australian field study will test the addition of BDM-I to a coccidiostat to see if there is an additional benefit from doing so.

BioDiem is the recipient of a \$2.1m Commercial Ready Grant from AusIndustry to assist the development of BDM-I as a substitute for the prophylactic use of antibiotics in animal feed.

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