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IMPORTANT CANCER DRUG DISCOVERY FROM AUSTCANCER JV

- BioFocus and AustCancer have discovered novel lead compounds (Kinase-inhibitors) that have the potential to enhance the effectiveness of traditional chemotherapy and radiotherapy approaches to cancer treatment
 - A lead candidate drug will be developed for patent and commercialisation activities
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Australian Cancer Technology Limited ("AustCancer") (ASX: ACU) and BioFocus plc ("BioFocus") (AIM: BIO) are pleased to announce promising results from their joint discovery program. Compounds have been discovered that are both potent and show efficacy against the key drug target, Chk1 Kinase.

Dr Roger Aston, Chairman of AustCancer, said, "Kinase inhibitors are one of the most exciting areas in drug discovery, often aimed at enhancing current chemotherapy stratagems, with blockbuster cancer drugs such as Glivec and Irressa both in this category. This is a most encouraging development for AustCancer"

Mr Geoff McMillan, Chief Executive of BioFocus, said, "We are very pleased that high throughput screening of compounds from BioFocus' proprietary library has returned a number of confirmed "hit" compounds, which selectively inhibit the key Chk1 Kinase enzyme. Such compounds would potentially enhance cancer cell death in conjunction with established treatment regimens".

The compounds are also selective for the Chk1 enzyme over a number of other key selectivity targets. They also had similar structure-activity relationships suggesting a good start point for further optimisation.

The partners are concentrating on maximising potency and demonstrating the effect of enhanced cancer cell death by constructing a series of compounds around the most potent (lead) compound. The partners expect to lodge patents for these novel compounds later in the year and commence commercialisation negotiations shortly thereafter.

AustCancer has two 50:50 joint ventures with BioFocus, the RVD Breast Cancer project and the Chk1 Kinase project. The partners have decided to focus their development resources on the Chk1 Kinase project as it is believed it has the stronger potential to deliver commercial outcomes in the near term.

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PLEASE DIRECT ENQUIRIES TO:

Australian Cancer Technology Limited

Alistair Cowden
Managing Director
Phone: +61 8 9486 4622

Paul Hopper
Chief Executive Officer
Phone: +61 (0) 407 118 366

BioFocus

Geoff McMillan
Chief Executive
Phone: +44 (0) 1799 533500

John Kamins
Vice President
Business Development & Marketing
Phone: +44 (0) 1799 533500

Buchanan Communications

Rebecca Skye Dietrich
Phone: +44 (0) 20 7466 5000

About Chk1 Kinase Project

Many cancer therapies such as radiotherapy and platinum based chemotherapies cause DNA damage in order to kill proliferating tumour cells. However, a major limitation of such therapies is the emergence of resistant tumours following initial treatment. This leads to a requirement for higher, more toxic dosages to produce cell death consequently increasing debilitating side effects.

The resistance to such therapies is caused by an important enzyme known as Chk1 Kinase (CHK1), which helps control the arrest of the cell cycle and the inhibition of cell death in response to these treatments. Cell cycle checkpoints are a hiatus in the cell cycle of growth and division and are involved in the cells response to DNA damage such as that induced by drugs or radiotherapy. They specifically prevent cell cycle progression to allow the cell to repair the DNA damage. Tumour cells can take advantage of these checkpoints to arrest the cell cycle following DNA damage and avoid immediate cell death. This can contribute to drug resistance. A drug, which inhibits the activity of CHK1, should therefore sensitise cells to DNA-damaging therapies and circumvent resistance to treatment. Such a drug would therefore be used in conjunction with existing therapies.

About BioFocus

BioFocus is a leading drug discovery company working in partnership with major pharmaceutical and biotechnology companies. Additionally it is developing a portfolio of internal drug discovery programs aimed at providing drug leads for partnering. The company was founded in 1997 and is quoted on the Alternative Investment Market of the London Stock Exchange. BioFocus works with a wide range of global clients and in 2002 provided services and/or products to 22 leading pharmaceutical companies.

About Australian Cancer Technology

Australian Cancer Technology is a broadly based international oncology company focused on developing and delivering products for the unmet needs of cancer patients. Its leading edge PentrixTM anti-cancer vaccine successfully completed Phase 1a and Phase 1b/2a trials at St Vincent's Hospital Sydney and will undergo a comprehensive Phase 2 trial with prostate cancer patients at leading Melbourne institutions later in 2003. Its US subsidiary, NutraForte, is launching a range of nutritional supplements designed by leading US scientists to complement traditional treatments and address patient desires for self-help and improvement of well being. A range of new oncology drugs and technologies is also being developed with Cambridge UK joint venture partner BioFocus plc.

*For more information on "Australian Cancer Technology" visit
www.austcancer.com.au*