

News Release

Human Trials Planned for New Australian Lice Control Treatment

Potential for shorter treatment times, one-off treatment with lower toxicity

15 May 2006, Melbourne: Melbourne based biotechnology company Hatchtech Pty Ltd will commence clinical development of a novel head lice control product. The company has appointed a European Contract Research Organisation to commence the Pre-clinical and Toxicity programme in readiness for the first human trials in Australia later this year.

The treatment is a proprietary compound from a class of actives having a novel mode of action. The compounds are capable of blocking all hatching of eggs of lice, other insects and potentially wider pest species (ovicidal).

The Hatchtech head lice product has the potential to change the management paradigm for lice control through 100% egg kill, shorter treatment times, removal of the need for repeat treatments and lower toxicity.

Human lice control efforts have been adversely affected in recent years by rapidly rising resistance and potential toxicity issues. In addition, it is well recognised that no product on the market has clinically significant ovicidal activity. Indeed there has been a shift in some markets in favour of alternative products such as traditional remedies, essential oils and lubricants whose efficacy is largely unproven. The overall market is however growing at 5-10% globally in line with a generalised increase in lice outbreaks.

The Hatchtech product will address the unmet need in the market and re-expand the conventional product segment through the introduction of safe ovicidal products with proven efficacy. The global market for human louse treatments currently stands at approximately US\$200M. Hatchtech would aim to access a significant share of this market via strategic partnering. Hatchtech is approximately three years from market with this programme.

The anti-lice product contains the first of Hatchtech's lead compounds to progress beyond proof-of-principle. Hatchtech has a number of other high value applications of the technology and development of new household, crop and veterinary applications are expected to rapidly progress in coming months. The Company has experienced directors, management and advisors able to optimise

these opportunities. The Company has a number of patents filed and in process.

Hatchtech will be seeking new investment to develop agricultural and other applications of the technology. Accordingly, in the coming months the Company will be speaking to interested parties with regard to funding and progressing leads in the household, crop and veterinary areas, all of which represent very significant markets.

For more information please call:

Paul MacLeman
Director and CEO
Hatchtech

Rudi Michelson
Monsoon Communications

0419 401 445

0411 402 737

About Hatchtech

Hatchtech is an Australian company developing a locally developed proprietary technology platform that will enable the creation of a new generation of low-toxicity pest control products. Specifically the patented technology allows the complete blocking of pest species egg hatch through a novel mode of action. The technology has applicability for controlling ectoparasites and other egg laying pests of humans, crops and the built environment.

Hatchtech's most advanced programme is focussed on developing a new generation of low-toxicity ovicides for controlling human head lice – an area of high unmet need due to toxicity and resistance issues with current products. In addition, the company has broad proof-of-principle and is developing compounds for the control of important parasitic pests in the veterinary and agricultural and consumer goods sectors.

Hatchtech's current investors include Uniseed, Biocomm, GBS Ventures, Queensland Biocapital Fund and Westscheme.