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ACRUX ACQUIRES RIGHTS TO COMMERCIALISE WORLD'S FIRST CONTRACEPTIVE SPRAY

- **New-generation contraceptive licensed from Population Council for delivery by Acrux's unique spray technology**
- **Phase 2 trial to commence in second half of 2006**
- **Annual worldwide sales of hormonal contraceptives exceed US\$4 billion**

Melbourne, AU and New York, NY, 13 February 2006--Acrux (ASX: ACR), the Australian company with patient-preferred technology for delivering drugs across the skin, today announced an agreement with the New York-based Population Council, Inc. The agreement enables Acrux to progress toward commercialisation of a unique contraceptive spray, containing the new-generation contraceptive drug Nestorone®.

Under the agreement, Acrux has a worldwide licence from the Population Council to intellectual property covering the use of Nestorone® with Acrux's patented metered-dose skin spray delivery technology (MDTS®). Acrux will develop and commercialise Nestorone® MDTS® and has the right to sub-license to commercial partners. In addition to commercial distribution of the product, Acrux (or its sub-licensees) will make Nestorone® MDTS® available at reduced prices to public sector organisations providing human reproductive health products to disadvantaged people.

Results of a Phase 1 clinical trial, conducted by Acrux last year under a development agreement with the Population Council, showed that a once-daily application of Nestorone® MDTS® provides the level of Nestorone® in the blood known to be effective for contraception. A Phase 2 trial, scheduled to start in the second half of 2006, aims to demonstrate that Nestorone® MDTS® controls ovulation. Acrux will seek commercial partners for the remaining steps in global commercialisation.

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“This exciting product will give women a very attractive new option for contraception. It combines our unique technology with the know-how of one of the world’s leading developers of reproductive health products,” said Acrux CEO Igor Gonda.

“The target features of Nestorone® MDTs® are: a convenient daily spray onto the arm that is more discreet and less irritating to the skin than a patch, and we believe, will prove to have a better safety profile than other hormonal contraceptives. Market research has shown that many women will prefer the ease and convenience of this method to swallowing pills, taking injections, or wearing patches,” he added.

Gonda also noted that Acrux sees great market potential for Nestorone® MDTs® given the fact that annual worldwide sales of hormonal contraceptives exceed US\$4 billion, and sales of transdermal contraceptive patches in the United States alone are more than US\$400 million a year.

Population Council CEO Peter Donaldson said he was pleased with the progress Acrux had made in the validation of its transdermal spray technology platform in clinical trials, especially in the area of women’s health. “We are very encouraged by the results obtained so far with the Nestorone® spray. An important part of the Population Council’s mission is to meet the need for reproductive healthcare products on a global scale, and we believe that Acrux’s technology can be an attractive option for many women around the world.”

Acrux has two other products in its women’s health portfolio that are delivered as daily sprays; Evamist™ for menopausal symptoms and Testosterone MDTs® for decreased libido. Both are in advanced stages of development.

About Nestorone® MDTs®

Nestorone®, which cannot be taken orally, is a fourth-generation progestin contraceptive that has no androgenic hormonal effects, and a good safety profile. MDTs® is a small, hand-held, easy-to-use spray that is designed to provide an easy and convenient means to deliver a preset dose of a therapeutic drug via the skin. The spray applicator is placed gently against the forearm and an actuator button is pushed. A light spray containing a proprietary formulation of Nestorone® is quickly absorbed into the skin. Nestorone® is released into the blood stream on a sustained basis over 24 hours, providing a practical and convenient once-a-day dosing regimen. The spray is fast-drying, non-irritating, and invisible after application.

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About Acrux**www.acrux.com.au**

- Acrux is a specialty pharmaceutical company, developing and commercialising a range of patented, patient-preferred healthcare products for global markets, using its innovative technology to administer drugs through the skin.
- Acrux's product pipeline includes treatments of hormonal deficiencies, pain, central nervous system disorders and a contraceptive. 20 human clinical trials have been completed with 8 different drugs and the lead product, Evamist™, is nearing the end of a phase 3 trial in the USA.
- Acrux has licensed USA rights for Evamist™ (Estradiol MDTs®) and Testosterone MDTs® to VIVUS and AUS/NZ distribution rights for Testosterone MDTs® and Fentanyl UDTs™ to CSL Limited. Acrux has also licensed its technology to Eli Lilly for veterinary healthcare products.

About the Population Council**www.popcouncil.org**

- The Population Council, an international, non-profit, non-governmental organisation, seeks to improve the well-being and reproductive health of current and future generations around the world and to help achieve a humane, equitable, and sustainable balance between people and resources. The Population Council conducts biomedical, social science, and public health research and helps build research capacities in developing countries. Established in 1952, the Council is governed by an international board of trustees. Its New York headquarters supports a global network of regional and country offices.
- The Population Council has a proven track record in the successful development of female contraceptive products and has worked to make them accessible to people in developing countries. Three of the four major long-acting reversible contraceptives available today were developed by the Population Council: the Copper T IUD, Norplant®, Jadelle®, and Mirena®.
- More than 50 million Copper T IUDs have been distributed in over 70 countries.

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