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FOR IMMEDIATE RELEASE

PROTEOME SYSTEMS LTD AND US-BASED EGENIX INC TO DEVELOP SEMEN-BASED TEST FOR PROSTATE CANCER

PXL identified as “global leaders with a proven record in the discovery and characterisation of protein and glycoprotein biomarkers for use in its patented diagnostic platform”

SYDNEY, [AUSTRALIA] MARCH 7, 2006 Proteome Systems Ltd (ASX: PXL) today announced the signing of an agreement with the New York-based biotechnology company, Egenix Inc to co-develop a semen-based diagnostic kit for prostate cancer based on the known proprietary Human Carcinoma Antigen (HCA).

The new non-invasive test, once developed, would offer significant advantages over the current test, and would reduce unnecessary invasive examinations as well as needle biopsies.

The current blood test for prostate cancer measures levels of prostate-specific antigen (PSA). The drawback with the PSA test is that it has a high false positive rate (estimated at up to 75%), meaning it picks up many benign conditions of raised PSA levels in the blood - such as enlargement of the prostate or a prostate infection.

This means that many men who have false positive tests for prostate cancer undergo unnecessary biopsies.

Research indicates that the HCA based test being developed by PXL and Egenix would be a more accurate test. Initial data testing HCA in semen as a marker of prostate cancer was presented at an American Urology Association meeting. In a cohort of 84 patients (9 confirmed cancers and 75 non-cancers), the sensitivity of the semen test was 100% (no cancers missed) and the false positive rate was only 17%.

PXL and Egenix will initially work together to optimise the detection of HCA in semen of prostate cancer patients. This initial project will be fully funded by Egenix. The two companies will then share the rights for further development and commercialisation of the test. The parties envisage that this test would have significant implications for the prostate cancer diagnostic market. Estimates by Egenix indicate a potential market size for the HCA test of up to USD \$1.5 billion in the US market.

HCA in the blood can signal the presence of cancer, but it does not specify where the cancer exists as HCA is produced by other tumors such as breast, lung and colon cancers. Because the prostate's function is to secrete fluid into semen, HCA is found in much larger concentrations in semen produced by cancerous prostates and is therefore expected to be a highly specific marker for prostate cancer. Further programmes utilising HCA for detection of other cancers are envisaged upon the completion of the initial prostate cancer test.

Stephen Porges, CEO of Proteome Systems said "HCA is a very big protein covered with sugars and few companies have the ability to work with such complex molecules. We have acknowledged world-class expertise in analysing this type of glycoprotein and in turning protein antigens into diagnostic tests. Combining this expertise with the research and clinical knowledge that Egenix brings gives us an exciting opportunity to produce an improved and potentially revolutionary diagnostic test for prostate cancer. We also believe there is further potential for this HCA molecule once defined, as a drug target for treatment of prostate cancer"

Dr. Jedd Levine, President of Egenix Inc. said "We initially wondered if there would be social or cultural objections to a test that requires the patient to provide an ejaculate specimen. But it's common to look in organ secretions for signs of cancer in that organ and ...most men would willingly provide a semen specimen to potentially avoid a painful needle biopsy"

Dr Donald Fresne, CEO and Chairman of Egenix, stated "Our company has produced excellent research in collaboration with the University of Rochester on the use of HCA as a cancer diagnostic and therapeutic target and we are delighted to be working with a company such as PXL whom we have identified as global leaders with a proven record in the discovery and characterisation of protein and glycoprotein biomarkers for use in their patented diagnostic platform."

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About Proteome Systems:

Proteome Systems Limited [PXL] is a dynamic biotechnology company with internationally sought-after diagnostics and therapeutics expertise in the fields of respiratory disease, neurobiology and ageing, cancer and infectious diseases. PXL's scientific leadership is demonstrated by its track record in partnering with US and European companies and research institutions to develop its core technologies and molecular compounds for use in diagnosis and treatment of some of the world's most debilitating and fatal conditions and diseases. PXL has a therapeutic and diagnostic portfolio which includes 22 worldwide patents (including 12 US patents) for its small molecule compounds, and another 23 pending which cover topical, injectable and potentially oral delivery forms.

Additional information about Proteome Systems can be found at www.proteomesystems.com.

Egenix, Inc. is a privately held biotechnology company in the business of developing diagnostic and therapeutic products for cancer patients. Its corporate headquarters are in Millbrook, New York, and its research laboratory is located at the University of Rochester Medical Center in Rochester, New York.