

Vet Biotechnology Ltd (ACN 105 577 017)

NSX COMPANY ANNOUNCEMENT

NSX codes VBL, VBLO

August 11 2005 at 17:30 EST.

Sub-Licence Agreement with Nidor Pty Ltd for Breath Test Technology

On August 11 2005, Vet Biotechnology Ltd signed an exclusive sub-license agreement with Nidor Pty Ltd securing the worldwide right to commercialise the equine applications of a breath test technology for the diagnosis of Equine Gastric Ulcer Syndrome (EGUS) in horses.

The technology is co-owned by the Women's and Children's Hospital, a facility of Children Youth and Women's Health Service, and Adelaide Research and Innovation Pty Ltd, the commercialisation company of the University of Adelaide. Nidor Pty Ltd holds an exclusive world-wide licence from the owners to develop and sell commercial products using of this technology and to grant sub-licences.

Under the sub-licence Nidor Pty Ltd has granted Vet Biotechnology Ltd an exclusive right to research, develop and commercialise the equine applications of the technology. The technology is protected under the Patent application PCT/AU02/01666 titled 'Breath Test'. The intended product culminating from further research and development and the subject of the licence agreement is a breath test diagnostic for the management of EGUS disease.

EGUS is one of the most common ailments of competition horses effecting approximately 90% of racehorses, up to 60% of other performance horses and up to 57% of foals. It is thought that the increased incidence of EGUS in competition horses is brought about by factors relating to stringent training regimes. Modern feeding practices, which incorporate both fasting and high grain diets, result in an increase in stomach acidity and the likelihood of ulceration. Stress during the training programs also results in a lowering in the horse's natural defence against stomach acidity.

EGUS is known to be responsible for weight loss and poor performance in horses, as a result of changes in eating patterns. These and other clinical signs, such as poor appetite and recurrent colic, are used to make an initial diagnosis of this condition. Unfortunately, clinical signs are non-specific and not always recognised, allowing ulcers to go undetected for long periods of time. Gastrosocopy is necessary to conclusively diagnose gastric ulceration, however this technique is very expensive, does not detect all ulcers and the necessary equipment is in limited supply in the industry.

Vet Biotechnology Ltd has previously signed a Heads of Agreement with Veterinary Research Synergies Pty Ltd to enter into a contract research and development agreement, contingent upon the exclusive licence from Nidor Pty Ltd, to develop a commercial sucrose breath test for diagnosis and management of EGUS.

The Breath Test technology for EGUS will be marketed worldwide following successful completion of the required research, development and clinical trials. The company's NSX listing was underwritten by Sydney based Martin Place Securities Pty Ltd.

For further information, contact:

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