

## FOR IMMEDIATE RELEASE

### ZODIAC CAPITAL JOINT VENTURES ZOCAP PHARMA

Sydney NSW, March, 2009 -- Zodiac Capital Limited (NSX: ZOD) advises that the Company has joint ventured its Zocap Pharma interests with ASX listed Stirling Products Limited (ASX:STI). The Joint Venture will have the benefit of having the development rights to potential combinational products with Stirling Products beta-agonist and also the Company's global commercialisation and sales rights (excluding the Ukraine and certain European countries) to 26 fully developed phytopharmaceutical[1] products that have been progressively developed through research centres over the past 15 - 20 years.

The Joint Venture will be uniquely positioned in the global pharmaceutical market with a product pipeline that, through the existing product lines as well as the integration of each party's interests, will include at least four blockbuster product opportunities with application to major health issues and diseases.

#### These are summarised below:

- Obesity – Stirling's beta-agonist may be coupled with the Zocap natural immune adjuvant[2] improving its capability of significantly reducing body weight through blocking the body's fat production receptor with no side effects.
- Muscle wasting – Stirling's beta-agonist may be coupled with Zocap's conditioning agent for treatment of age related muscle wasting and an associated weakness (sarcopenia) which affects everyone, especially during the latter years of life.
- Cold and Flu – the Zocap immune booster has been shown to lessen the incidence of colds and flu and is a market leader sold in pharmacies throughout the Ukraine.
- TB and TB/HIV – the Zocap adjuvant treatment has demonstrated in all human clinical cases to date that it is positioned as the first breakthrough treatment product in 40 years for tuberculosis (TB), drug resistant TB, multi-drug resistant TB (MDR-TB), extensively-drug-resistant TB (XDR-TB) and TB/HIV co-infection as advised to the market today in a separate release.

Other Zocap Joint Venture products are positioned for the treatment of conditions including high cholesterol, high blood sugar, stress, arthritis and allergies.

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1 Phytopharmaceuticals – are natural compounds derived from botanicals instead of chemicals.

2 Adjuvants assist in the prevention, amelioration or cure of disease. An immune adjuvant is a substance acting to enhance the immune response to a treatment with which it is administered.

Separately to the Joint Venture, Stirling will still continue with the commercialisation of:

- ST810 – the single enantiomer<sup>[3]</sup> beta-agonist<sup>[4]</sup> being positioned as an animal growth promotion agent to replace the use of human antibiotics and steroids currently used as growth promoters in the meat production industry.

Zodiac and Stirling Products Managing Director, Mr Peter Boonen stated: “A significant benefit of the Joint Venture is that it will own the global commercialisation rights to an extensive range and pipeline of fully developed products for which the costs and risks of discovery and development have already been fully accounted.”

“The Zocap range can be marketed in most global jurisdictions following registration, whilst the beta agonist products will require regulatory approval for each new use. Our advantage here is that it is already FDA approved in the USA as well as in other jurisdictions for human use for treatment of respiratory disease and our task is to repurpose an ‘old drug’ for ‘new uses’, which is a well understood process in the pharmaceutical industry.”

### **Terms and Conditions of Joint Venture**

The terms of the Joint Venture, provide for Stirling to achieve, at its election up to a 50% interest in the Joint Venture. Stirling will initially be entitled to a 30% interest and be responsible for funding marketing and development costs of up to \$1,200,000 over the next approximate 18 – 24 months. Stirling will have the right to acquire an additional 10% interest at anytime over the next five years in consideration of payment of \$1,000,000 to Zodiac Capital and an additional 10% interest at anytime in the 18 month period immediately following the 12 month anniversary of the Joint Venture agreement in consideration of the issue of 150 million shares to Zodiac Capital Limited.

Final approval for the Joint Venture is subject to shareholder approval and an independent expert’s report has been commissioned and the Company will advise the market further as material developments occur in relation to the Joint Venture.

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3 Enantiomers – are the ‘mirror image’ opposite components of molecular structure. A single enantiomer product is regarded as a ‘pure’ product having the left enantiomer, which is generally associated with side effect, chirally removed.

4 Beta-agonist is any of various drugs that combine with and activate a beta-receptor which can be any group of receptors present on cell surfaces of some effector organs or tissues that mediate certain physiological responses when bound by specific beta-agonists.



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