



6 June 2007

STATE DEVELOPMENT FUND LIMITED OFFER TO PURCHASE SHARES IN AUSPEP HOLDINGS LIMITED

State Development Fund (SDF) is offering 2(two) SDF shares for each Auspep Holdings share not already owned by SDF.

SDF Chairman Legh Davis said that the purpose of the offer was for SDF to move to 100% ownership of Auspep Holdings, effectively consolidating the group of companies. This offer was the result of a strategic review undertaken by SDF over recent months.

SDF's strategy is twofold. Firstly to focus the energies of the SDF board on growing the investment in Auspep Holdings. Secondly the SDF Board is prepared to sell its 33.8% interest in Burnie Airport Corporation (BAC) at an appropriate price. This sale would crystallize significant profits.

If the offer to purchase shares in Auspep is successful, SDF will change its name to Auspep International, remain listed on the BSX and restructure its board. The Board believes that this simplified structure will make the group more understandable and attractive to investors. Mr Davis advised that the company would be seeking additional funds shortly to provide working capital and also to enable Auspep to consolidate by moving its West Melbourne operations to the new Good Manufacturing Practice (GMP) facility at Tullamarine. Administration and compliance costs would also be reduced.

Auspep is an Australian owned manufacturer and distributor of peptides, supplying products and services in Australia and overseas to the pharmaceutical industry, biotechnology companies, research institutes and universities. In May 2006 its Tullamarine GMP facility was licensed by the Therapeutic Goods Administration (TGA) – the first in Australia.

For further information please contact Legh Davis 0419 806142