

**Vet Biotechnology Ltd** (ACN 105 577 017)

## **NSX COMPANY ANNOUNCEMENT**

**NSX codes VBL, VBLO**

December 23, 2004.

### **Heads of Agreement for Clinical trial**

Vet Biotechnology Ltd is negotiating an exclusive licence to commercialise the equine applications of the Sucrose Breath Test described under PCT AU02 01666.

On December 23 2004 Vet Biotechnology Ltd 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, to develop a commercial sucrose breath test for diagnosis of equine gastrointestinal ulceration. The attraction of this technology is that it is non-invasive, requiring only a simple breath sample. This technology might be able to be used as a platform technology for the development of a broader diagnostic product range.

Veterinary Research Synergies Pty Ltd will develop documentation for the pre-clinical and clinical trial process for the Sucrose Breath Test, including preparation of and application for pre-clinical and clinical trial approval from a recognised ethics approval body for the pre-clinical and clinical trial phases, study protocols, trial records and databases. The studies are to be conducted to GLP standards and designed to product specifications to achieve regulatory approval in Australia, Europe, Japan and the United States of America.

Veterinary Research Synergies Pty Ltd will conduct a Phase I pre-clinical trial on the Sucrose Breath Test. Vet Biotechnology Ltd will make a decision to continue the study following a review of the Pre-Clinical study report. In the event that Vet Biotechnology Ltd decides to continue the investigation will enter into the Phase II Clinical trial.

The full project term is up to 18 months, including pre-clinical phase of 4 months and clinical phase of up to 14 months.

Following completion of a successful clinical trial and development of a commercial product Veterinary Research Synergies Pty Ltd will provide a commercial Sucrose Breath Test service to Vet Biotechnology Ltd.

The heads of agreement is subject to Veterinary Research Synergies Pty Ltd obtaining all necessary licences, consents, permits and approvals from relevant committees, bodies and statutory authorities to conduct the Sucrose Breath Test project.

Vet Biotechnology Ltd may decide, at its sole discretion, to terminate the agreement in the event that the pre-clinical trial does not achieve the required milestones or if clinical trial does not meet the required milestones for commercialisation of the Sucrose Breath Test.

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