

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

## **NSX COMPANY ANNOUNCEMENT**

**NSX codes VBL, VBLO**

January 24 2005.

### **Heads of Agreement for USA expansion**

On January 24 2005 Vet Biotechnology Ltd signed a Heads of Agreement with UK based VetCell Bioscience Ltd to negotiate the terms and conditions of a Joint Venture Agreement to commercialise and distribute VetCell Bioscience's proprietary equine stem cell services in the United States of America.

The proposed Joint Venture will use the commercialisation experience from Europe and Australia to provide a full turn-key operation to customers in the USA. A working party from both companies will formulate the Joint Venture strategy and business plan for the USA. This will include manufacturing, technical training, marketing and customer training and will be subject to regulatory, licensing and practical constraints. A US based partner has been identified to be a third party to the Joint Venture with negotiations currently proceeding.

Under the Heads of agreement VetCell Bioscience Ltd agrees to grant an exclusive commercialisation licence for the equine stem cell technology to the Joint Venture subject to satisfactory project plans and cost estimates. Vet Biotechnology Ltd agrees to grant an exclusive commercialisation licence to the Joint Venture for any technology for which it currently holds a licence subject to satisfactory project plans and cost estimates.

Any new Intellectual Property and commercial know-how developed jointly by VetCell Bioscience Ltd and Vet Biotechnology Ltd will be equally co-owned by VetCell Bioscience Ltd and Vet Biotechnology Ltd.

The terms and conditions of the Joint Venture Agreement are to be negotiated within 3 months and the companies have agreed to carry out all actions to support the possible launch of the technology in the United States marketplace before 31 December 2005.

Vet Biotechnology Ltd, VetCell Bioscience Ltd and the US distributor will raise the required funds for commercialisation of the technology in the USA.

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