

Hatchtech \$2.5m new funding for Phase II head lice trials

Hatchtech to attain proof of clinical concept in affected patients

28 November 2008, Melbourne: Hatchtech Pty Ltd has secured \$2.5 million in further funding from the University of Melbourne Endowment Trust (advised by GBS Venture Partners) and from Uniseed. The investment will be used to progress its unique head lice treatment into Phase II safety/efficacy studies in humans. The new trials for the DeOvo™ product are multi-centre in Australia and India and follow successful Phase I studies in Australia in 2007.

DeOvo™ is the lead product of Hatchtech, an Australian company developing novel technology to control a variety of insect, arachnid and nematode pests. An Investigation New Drug application for the product was accepted by the US FDA earlier this year.

"We are very pleased with this successful funding round considering the difficult external economic environment and believe that this reflects the quality of management and technology at Hatchtech. We look forward to the DeOvo product progressing through phase II head lice trials," GBS's Dr Andrew Baker said.

"Continuing to support our investee companies through periods such as we are currently experiencing is important to Uniseed as we seek to maximise returns from our investments," said Dr Peter Devine, CEO of Uniseed.

DeOvo™ is designed to give healthcare professionals and parents a breakthrough treatment for head lice infestations through its ability to kill lice eggs or nits. Existing products suffer treatment failure in large part due to an inability to kill these nits. The product has already been shown to be safe in adult volunteers. DeOvo's™ unique capability should potentially enable a cure at a single time and treatment point making redundant the current routines of multiple labour-intensive treatments.

"Securing this funding allows Hatchtech to progress DeOvo™ to proof of clinical concept in affected patients. This is an important and valuable milestone," said Dr Paul MacLeman, Hatchtech's chief executive officer."

"The imminent Phase II trials will strongly demonstrate DeOvo™'s potential as the one time definitive head lice cure. This will replicate effects already proved in laboratory tests on lice. A product enabling treatment at a single time will greatly alleviate the frustration, embarrassment and adverse effects on schooling and families associated with recurrent head lice infestations," he added.

Approximately 12 million children are affected by head lice each year in the United States. Often, affected children are dismissed from school and cannot return until they are declared "lice free", impacting schooling, carers and children.

The global annual market for head lice control products is estimated to be in excess of US\$450 million.

Enquiries:

Paul MacLeman
Managing Director and CEO
Hatchtech Pty Limited
+61 (0)419 401 445
pmacleman@hatchtech.com.au

Rudi Michelson
Monsoon Communications
+61 (0)411 402 737

About Hatchtech

Hatchtech is an Australian company developing a proprietary technology platform that will enable the creation of a new generation of effective, low-toxicity pest control products. Specifically, the patented technology allows the complete blocking of pest species egg hatch and life cycle changes through a novel mode of action. The technology has applicability for controlling parasites and pests of humans, animals, crops and the built environment.

Hatchtech's most advanced programme is focussed on developing a new generation of low-toxicity lousicides for definitively controlling human head lice – an area of high unmet need due to toxicity, lack of egg kill and resistance issues with current products. This product, DeOvo™ is entering international multicentre Phase II human trials under an FDA IND.

Hatchtech's investors include Biocomm, GBS Venture Partners, Queensland Biocapital Fund, Uniseed, University of Melbourne Endowment Trust and Westscheme.

www.hatchtech.com.au

About GBS Venture Partners Limited

GBS Venture Partners is Australia's leading life science venture capital group with in excess of \$400 million under management. GBS invests from seed through early expansion stage and has invested in more than 30 life science companies.

www.gbsventures.com.au

About Uniseed Limited

Uniseed is a \$61 million commercialisation fund operating at the Universities of Melbourne, New South Wales and Queensland. Apart from these three universities, Western Australia's largest non-government superannuation fund, Westscheme, is also a member. Uniseed has made over 30 investments in technologies arising from its three partner universities including Vintela (AVCAL Best Early-Stage Deal 2005) and QRxPharma Ltd (largest biotech IPO in ASX history).

www.uniseed.com.au