

ASX & Media Release

Update on Key Activities

Melbourne, Australia; 29 June, 2009:

Patrys Limited (**ASX: PAB; Company**), Australia's natural human antibody therapy Company, announced today an update on the execution of its commercial strategy.

The Company's strategy has four major elements:

1. Maintaining a strong financial position to enable the achievement of key operational objectives.
2. Advancing lead internal products toward first-in-human clinical trials.
3. Maximising the number of opportunities for commercial success by out-licensing early stage products to well-resourced, larger industry partners.
4. Pursuing opportunities to accelerate the maturity of our pipeline and reduce development risks and costs by acquiring human antibody therapeutics from third parties that have already shown promise in human clinical trials.

Details on the Company's progress in achieving these objectives are provided below.

Financial Position: \$6.8 Million Rights Issue

Earlier today Patrys announced the details of a \$6.8 million underwritten rights issue, the proceeds of which are expected to support the Company's attainment of its operational objectives.

Completion of Preclinical Development of PAT-SM6 and PAT-LM1

PAT-SM6 and PAT-LM1 are each natural human antibodies that have shown great promise as potential treatments for deadly cancers. Patrys' key focus to date has been the advancement of those lead products toward first-in-human clinical trials.

Two main activities in this regard have been the establishment of a manufacturing platform that supports human trials and the testing of both products in preclinical safety studies.

The Company has now successfully developed a proprietary manufacturing platform that Patrys expects will support human clinical trials for these and other products in its deep natural human antibody pipeline. Details of the Company's manufacturing are the subject of a recently published paper that is available at <http://www.patrys.com/investor-scientificpubs.php>.

As announced to the market on 15 June 2009, the Company has also completed preclinical safety studies for both PAT-LM1 and PAT-SM6. Under the studies, there were no adverse reactions in any of the subjects treated, providing Patrys with product safety information that is typically required to gain approval to start human clinical trials for therapeutic products of this type.

The evaluation of non-safety measures taken during the preclinical studies is ongoing and is expected to last until the end of July.

PAT-SM6 Human Clinical Trial

The Company's intent is to promptly file an application to obtain approval to commence a human clinical trial for PAT-SM6. The application, which will be submitted to an independent Human Research Ethics Committee (HREC) under Australian rules and regulations, is expected to be filed eight to ten weeks after the above described preclinical safety study data has been fully evaluated.

PAT-LM1 Human Clinical Trial

A human clinical trial for PAT-LM1 is expected to begin after the start of the PAT-SM6 clinical trial. By staging the trials Patrys can focus on getting the PAT-SM6 clinical trial started and begin to gain important learnings from the PAT-SM6 clinical program that can be applied to the PAT-LM1 program.

The exact timing and sponsorship of the PAT-LM1 clinical program will depend on the results of business development discussions.

Should Patrys be successful in its efforts to acquire human antibody products that have already shown promise in a human clinical trial setting, Patrys would likely dedicate its internal resources to those acquired products and look to partner the clinical development of PAT-LM1 with a larger industry partner. Given that PAT-LM1 can now be manufactured in a way to support human trials, and the successful results reached in the recently completed preclinical safety study for PAT-LM1, this product represents a very attractive partnering opportunity that is ready to enter the clinic.

In the case where the Company chooses not to acquire more mature clinical stage products, the Company may commence a human clinical trial for PAT-LM1 as an internal program in the first half of calendar year 2010.

Out-Licensing Early Stage Products

The Company has been seeking partners to advance early stage products from its deep pipeline, with the goal of providing additional opportunities for commercial outcomes while simultaneously transferring the development costs and risk associated with those earlier stage products to larger partners.

Patrys and a multi-national biopharmaceutical company are in confidential, advanced discussions relating to a proposed collaboration agreement involving several early stage products in Patrys' pipeline. If final agreement is reached under the proposed collaboration, Patrys anticipates that its collaborative partner would be responsible for all future development costs. The proposed collaboration centers around early stage products, and as a result the consideration to be received by Patrys would be triggered mainly by later stage clinical milestones and royalties on future sales. As the potential collaboration covers several products that were previously included in a collaboration between Patrys and Takeda Pharmaceutical Company Limited (Takeda), the Patrys and Takeda collaboration has been terminated.

Opportunities to Acquire Products With Positive Human Clinical Trial Data

The Company is evaluating several human antibody therapeutic candidates with positive human clinical data that are available for acquisition from third parties. These opportunities have arisen due to changing market conditions where a large number of clinical stage companies have found themselves with product candidates with promising human clinical data but unable to financially support further development. Patrys is well positioned to take advantage of this opportunity in a cost effective manner.

The human antibody products being evaluated by the Company: (i) have positive human clinical data or data that would allow the product to be moved into human clinical trials in the short-term; (ii) can be advanced to a significant value-added point without materially impacting the Company's cash position; and (iii) have strong intellectual property around both the product and its respective disease target. Any such acquisition will be completed only if it allows the Company to advance more mature products at lower costs and reduced risk compared to early stage internal products that have yet to be evaluated in a human clinical trial setting.

Overview of Third Party Transactions

All of the Company's discussions with respect to out-licensing early stage products and acquiring more mature products are subject to various contingencies, such as the need to finalise and agree to all terms, complete due diligence, and the involvement of independent third parties. As a result, Patrys is unable to predict the probability or timing for completing any such possible transaction(s).

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About Patrys Limited:

Based in Melbourne, Patrys (ASX: PAB) is focused on the development of natural human antibodies as therapies for cancer and other major diseases. Patrys has a deep pipeline of anti-cancer natural human antibodies that enable both internal development and partnering opportunities. More information can be found at www.patrys.com.

About PAT-SM6:

The natural human antibody PAT-SM6 has been shown to have potent anti-cancer properties in a large number of laboratory and animal studies. PAT-SM6 acts by a novel mechanism to bring about the death of cancer cells, by binding to toxic LDL particles in the blood, and then importing that LDL into cancer cells via a proprietary cancer associated disease target that is expressed on the surface of cancer cells but not healthy tissues screened. As a result, lipid accumulates to toxic levels in the cancer cells and leads to death of the cells. Patrys has now screened PAT-SM6 against more than 200 tumours from individual patients with various cancers, and the product binds to over 90% of the tumours screened regardless of cancer type, age, gender or disease stage. Patrys has filed patent applications to cover the PAT-SM6 molecule, disease target, and mechanism of action.

About PAT-LM1:

PAT-LM1 is a natural human antibody that has been shown to have potent anti-cancer properties in a large number of laboratory and animal studies. This lead product binds to a proprietary disease target that is expressed on the surface of cancer cells, but not on the surface of the healthy tissues screened. With over 200 individual patient tumours screened, covering several different cancers, PAT-LM1 binds to nearly 98% of those tumours regardless of cancer type, age, gender or disease stage. Patrys has filed patent applications to cover the PAT-LM1 molecule and its disease target.

About Patrys' Manufacturing Technologies:

The generation of high-yields of Patrys lead products PAT-LM1, PAT-SM6 and PAT-CM1 is the subject of a paper published in mAbs, a publication focused on monoclonal antibodies ("mAbs"). The paper is available at <http://www.patrys.com/investor-scientificpubs.php>.

About Safety Studies:

Safety studies of the type conducted by Patrys are intended to determine what, if any, safety issues a given product may present in a human clinical trial setting. While Patrys' lead products are fully human in composition and have displayed a very safe profile in animal studies to date, any product at this stage has the potential, however small, to create unexpected safety issues. In addition, while in many cases the results from such studies aid in predicting the safety profile of a product in a human clinical setting, as these studies involve non-human primates and/or other animals, they can not be relied upon to be completely predictive of what may happen in a human clinical setting.

About Human Clinical Trials in Australia:

To commence a human clinical trial in Australia, the Company must gain the approval of an independent Human Research Ethics Committee (HREC). While Patrys has carefully designed its product testing and manufacturing technologies in anticipation of what may be expected from an HREC review, there is no guarantee that Patrys application will be acceptable to the HREC, which has the unilateral right to request additional preclinical testing or for product material to be produced under different manufacturing protocols. Any such requests by the HREC would result in additional costs and time delays in receiving approval to commence human trials.