ASX ANNOUNCEMENT

COMPLETION OF PROOF OF CONCEPT STUDY FOR HEART ATTACK

- **Animal study demonstrates midkine treatment reduces heart muscle death by 27% following heart attack**
- **Midkine is well tolerated- no cardiovascular toxicities**
- **Dose ranging studies also completed**
- **Results trigger large animal studies and GMP manufacture**

SYDNEY, 11 April 2011: Cellmid Limited (ASX: CDY) has completed its milestone preclinical studies into the efficacy of midkine (MK) for the treatment of acute myocardial infarction (AMI). Total dose of 0.18 mg/kg MK performed best and reduced the area of heart muscle damage by approximately 27% when compared to untreated animals undergoing the same procedure.

These studies confirm Cellmid's own earlier research findings that MK does indeed reduce heart damage due to ischemia and reperfusion injury.

The significant improvement demonstrated by the studies' results mean that large animal trials can now commence. Further, manufacturing of GMP quality MK can also proceed in preparation for clinical trials.

The preclinical study was conducted by Cellmid's collaborator, Pharmahungary, within their specialist cardiovascular research facilities. MK was given to rats intravenously in single doses and in follow up intravenous infusions. MK was also safe and well tolerated, with no difference in adverse events between MK treated and untreated controls.

"A reduction of around 27% in infarct size is very encouraging", said CEO of Pharmahungary, Dr Peter Ferdinandy. "Pharmahungary's study was extremely rigorous. Samples were blinded for analysis and the area of heart muscle death was measured using their state-of-the-art imaging software Infarctsize™" added Cellmid's Head of Product Development, Darren Jones.

As well as conducting the pivotal MK efficacy study, Pharmahungary also evaluated MK in dose-ranging and acute safety/tolerability studies. Dose-ranging studies showed that MK was effective at significantly reducing heart muscle death with doses between 0.1mg/kg and 1.0 mg/kg. Furthermore, MK was safe and well tolerated at doses 16 times greater than the most effective dose of 0.18 mg/kg, with no cardiovascular toxicities observed.

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Cellmid Limited (ASX: CDY)

Cellmid is an Australian biotechnology company developing innovative new therapies and diagnostic tests for inflammatory diseases, heart attack and cancer. Cellmid holds the largest and most comprehensive portfolio of intellectual property related to midkine and midkine antagonists globally. The Company's most advanced clinical development program is for the treatment of acute myocardial infarction (AMI) utilising the midkine protein. Cellmid is also developing anti-midkine antibodies for the treatment of inflammatory and autoimmune disorders. In addition, Cellmid is commercialising midkine as a biomarker for cancer diagnosis. Elevated midkine concentration in the blood or other body fluids is strongly indicative of cancer. Cellmid's first product, the MK-ELISA, is a blood test that sensitively and accurately measures serum midkine levels.

Pharmahungary Group

The Pharmahungary Group is a global provider of innovative preclinical and clinical R&D solutions in cardiovascular diseases for pharmaceutical, biotech and food supplement companies. Preclinical research services include cardiovascular and metabolic diseases such as infarction, cardioprotection, heart failure, arrhythmia, stroke, sepsis, inflammatory response syndrome, diabetes, insulin resistance, hyperlipidemia, atherosclerosis, uremia, obesity, and aging. Pharmahungary's team comprises of well recognised international experts in preclinical and clinical trials with extensive publications. Further information on Pharmahungary is available on www.pharmahungary.com.

Acute Myocardial Infarction (AMI)

Acute myocardial infarction (AMI), or heart attack, is the death of heart muscle (myocardial) cells. AMI is the leading cause of death worldwide. In Australia around 30,000 people die from heart attack every year accounting for 22% of all deaths. In the US more than 1,000,000 people are affected annually with ~250,000 deaths. AMI occurs when blood vessels to the heart muscle become blocked, preventing oxygen reaching the cells. Without intervention myocardial damage exceeds a threshold and prevents the cells from carrying out their normal self-repair functions. Currently there are limited treatment options to prevent the death of myocardial cells either during or after a heart attack.

Midkine's role in the treatment of acute myocardial infarction (AMI)

Midkine (MK) is part of a natural defence mechanism activated during heart attack. Heart muscle cells under stress from a lack of oxygen begin to produce MK in an attempt to prevent cell death. However, the amount of MK that AMI-affected cells can produce is very limited and the time taken to produce it is slow. Administration of Cellmid's MK, a validated cell protecting agent, is expected to directly reduce cell death from myocardial injury and therefore improve immediate and long term survival of heart attack patients.

Midkine (MK)

Midkine is a multifunctional growth factor that is highly expressed during embryonic development. Midkine modulates many important biological interactions such as cell growth, cell migration and cellular adherence. These functions are relevant to ischemia, cancer, inflammation, autoimmunity, nerve growth/repair and wound healing. Midkine is barely detectable in healthy adults and high expression levels only occur as a consequence of the pathogenesis of a number of different disorders. Accordingly, midkine is an important early marker for diagnosing cancers and autoimmune diseases.