ASX ANNOUNCEMENT

COMPLETED HUMANISATION OF FIRST EVER ANTI-MIDKINE ANTIBODY

- **"First in class" anti-midkine antibody humanised successfully**
- **Binding and function fully retained during humanisation**
- **Expected to enter clinical development in late 2012**

SYDNEY, 6 October 2011: Cellmid Limited (ASX: CDY) has completed humanisation of its "first in class" anti-midkine antibody, hu91, in collaboration with Antitope Ltd. The humanisation has been completed on time and within budget and resulted in a drug that can enter clinical development. Functionality and binding characteristics of the humanised antibody are well within the range needed for a successful drug candidate, and are equivalent to the precursor mouse monoclonal antibody.

This is the most significant milestone to date in the Company's antibody program and has removed a substantial risk from the clinical development path.

Earlier in 2011 the Company signed a research collaboration agreement to humanise Cellmid's lead mouse monoclonal antibody candidate, CDY91, using Antitope's proprietary Composite Human Antibody™ technology. A number of variants resulted from the collaboration, and these have been tested for biological function and binding affinity to midkine (MK) by independent contract research organisations with the view to select the best candidate for clinical development.

Biological function of hu91 was determined using cell migration assays, which measure the potential for the drug to inhibit cells migrating in response to MK signalling. MK is a potent promoter of inflammatory cell migration. Hu91's main mechanism of action is to block this migration from occurring by 'mopping up' MK in the blood and tissues to reduce inflammatory damage. The results of these studies have clearly demonstrated that the humanised candidate (hu91) was slightly superior (80% inhibition) to the mouse precursor (78% inhibition) at preventing cell migration.

Antibody binding (affinity) to MK was also assessed using standard Biacore methods to measure the dissociation constant (K_D) between hu91 and MK and CDY91 and MK. The K_D for hu91 was 3.00nM as compared with 3.26nM for CDY91, where lower K_D indicates stronger binding affinity.

As well as producing a high quality human candidate, Antitope's technology has the extra advantage of avoiding immunogenic motifs in the antibody. This means that hu91 is not expected to generate an immune response in patients making it potentially safer.

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The validation studies expected to be carried out with hu91 prior to its entering human clinical trials include animal models of kidney and lung inflammatory diseases as well as surgical adhesions. Further information on this program in available in the Company's recent EGM presentation, released to the market on 30 September 2011.

"Successfully engineering a humanised antibody with matching performance to the mouse precursor is a very pleasing result" said Head of Product Development, Darren Jones. "Importantly, fully retained functionality has been confirmed by the blinded studies conducted by independent research organisations", he added.

"This is a very significant achievement for our technical team as we now have a drug that is ready to enter human clinical trials subject to completion of the final preclinical validation studies" said CEO of Cellmid, Maria Halasz.

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Cellmid Limited (ASX: CDY)

Cellmid is an Australian biotechnology company developing innovative novel 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 and 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.

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 cancer, inflammation, autoimmunity, ischemia, nerve growth/repair and wound healing. Midkine is barely detectable in healthy adults and only occurs as a consequence of the pathogenesis of a number of different disorders. Midkine expression is often evident very early in disease onset, even before any apparent physical symptoms. Accordingly, midkine is an important early marker for diagnosing cancers and autoimmune diseases. Finally, because midkine is only present in a disease context, targeting midkine does not harm normal healthy tissues.

Antitope Limited

Antitope is a privately-held biotechnology research company focused on the development of non-immunogenic protein therapeutics. The company was formed in Cambridge, UK in 2004 in order to advance previous research of the founders by developing proprietary technologies for immunogenicity prediction, antibody humanization and engineering therapeutic proteins. Antitope's proprietary EpiScreen™ technology provides analysis of the immunogenicity potential of therapeutic antibodies and proteins. Antitope's proprietary Composite Human Antibody™ technology results in humanized antibodies devoid of T cell epitopes. To date, Antitope has entered into over 80 different agreements with pharmaceutical and biotechnology companies worldwide.