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ACRUX COMPLETES ENROLMENT IN KEY PHASE 2 TRIAL

- **40 patients successfully enrolled in final Phase 2 trial of Testosterone MD-Lotion[®] for men with testosterone deficiency**
- **Preliminary results expected July 2007**
- **Phase 3 trial requirements well defined and considered low risk**
- **Strong global commercial prospects**
 - **Target market US\$0.6 billion, growing at 14%**
 - **Preference over existing products confirmed by market research with patients in USA**
 - **Key product attributes covered by patents granted to 2017 and pending to 2026**

Melbourne, Australia, 2 May 2007: Drug delivery company Acrux (ASX: ACR), announced today that it has successfully completed enrolment of 40 patients in the final Phase 2 trial of its unique testosterone lotion for treatment of testosterone deficiency in men. Preliminary results of the trial are expected to be available in July 2007.

The trial is being conducted at 8 clinics in the USA. The aim is to demonstrate that discreet daily application of Acrux's user-friendly lotion to the armpits raises the level of testosterone into the normal range. This is being undertaken by measuring testosterone levels in the blood and does not require the measurement of clinical symptoms.

A Phase 3 trial in 150-200 patients will be required before marketing applications can be made to regulatory authorities. This trial is expected to commence in early 2008 and will again require the measurement of testosterone levels in the blood, rather than the impact on clinical symptoms.

Acrux CEO Richard Treagus commented "Our Phase 2 study will complete on time and the remaining requirements to get this compelling product on the market are relatively straightforward. Confidence in the value of our Testosterone MD-Lotion[®] has been further boosted by the interest shown in this product by potential licensing partners."

About Acrux's Testosterone MD-Lotion®

Market research in the USA amongst both patients and prescribers that use current testosterone replacement products, including gels and injections, showed a strong preference by the patients for daily application of Acrux's lotion over the existing



products. The Acrux product will apply a precise dose of quick-drying lotion to the armpit once daily, via a convenient and ergonomic “no-touch” applicator.

The leading gel is applied each day as a 5 gram dose by hand to the shoulders, upper arms and/or abdomen. It takes longer to dry and patients are advised to wear protective clothing after application to reduce the risk of transferring testosterone to others. In contrast, the market research highlighted that the men considered Acrux's lotion would form part of a normal grooming routine and it could be discreetly applied, much like a deodorant.

Acrux has an international patent pending, which covers the application to the armpit of a number of drugs, including testosterone, combined with a skin penetration enhancer and a volatile liquid. Once granted, the patent will provide protection against competing products until at least 2026 in all major markets. Testosterone MD-Lotion® is already covered until 2017 by Acrux's granted patents.

About testosterone deficiency

Testosterone deficiency in men (hypogonadism) is associated with a number of symptoms including lethargy, depression, reduced libido and decrease in muscle mass and bone density. It is estimated that overall 20% of the US male population over 50 suffer from testosterone deficiency, with the incidence increasing with age. Approximately 10% of hypogonadal men currently receive testosterone replacement therapy. This is expected to grow with increasing patient and physician awareness. Ex-manufacturer sales of testosterone replacement therapies for men in 2006 in the USA alone were more than US\$500 million, growing at 14% per annum, to which the leading gel contributed US\$362 million. Sales in the key European markets of Germany, UK, France, Italy, Spain and Sweden are currently growing at 20% per annum.

About Acrux - www.acrux.com.au

- Acrux is an Australian drug delivery company, developing and commercialising a range of patient-preferred, patented pharmaceutical products for global markets, using its innovative technology to administer drugs through the skin.
- Fast-drying, invisible sprays or liquids provide a delivery platform with low or no skin irritation, superior cosmetic acceptability and simple, accurate and flexible dosing. The technology platform is covered by broad and well-differentiated, issued patents.
- Acrux's products in clinical development include:
 - Estradiol MDTS[®] (EvaMist[™] in the USA) to treat menopause symptoms
 - Testosterone MDTS[®] to treat decreased libido in women
 - Nestorone[®] MDTS[®] contraceptive spray for women
 - Testosterone MD-Lotion[®] to treat testosterone deficiency in men
 - Fentanyl MDTS[®] to treat chronic pain
- Acrux has licensed worldwide rights for certain MDTS[®] contraceptives and an undisclosed women's health drug to Organon, USA rights for Estradiol MDTS[®] and Testosterone MDTS[®] to VIVUS and AUS/NZ distribution rights for Testosterone MDTS[®] and Fentanyl MDTS[®] to CSL Limited. Acrux has also licensed its technology to Eli Lilly and Company for veterinary healthcare products.

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