

ANNOUNCEMENT

ADDITIONAL INVESTMENT IN VEGENICS

21 September 2006

Circadian Technologies Limited (ASX: CIR) today announced that it has agreed to contribute a further \$1.5m in equity in Vegenix Limited, with the purchase of an additional 9.375m shares at 16 cents each, increasing its holding from 50% to 57.9%.

Vegenics, 50% owned by Circadian and 50% owned by the global Ludwig Institute for Cancer Research (LICR) and Licentia Limited, the commercial arm of the University of Helsinki, was formed to to develop and commercialise the intellectual property and technology of LICR and Licentia in respect of molecules known as vascular endothelial growth factors (VEGF).

Building on its agreements with LICR and Licentia, Vegenix recently announced the signing of an agreement with CoGenesys Inc (based in Rockville, Maryland USA). The agreement provides Vegenix with further rights to intellectual property in the field of VEGF-C, and complements the extensive Vegenix patent portfolio covering VEGF-C and VEGF-D and antagonists to these molecules, developed by LICR and Licentia over the past 10 years.

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ABOUT CIRCADIAN TECHNOLOGIES LIMITED

Circadian Technologies Limited (ASX: CIR) was listed on the Australian Stock Exchange in 1985 and provides management and funding for the development and commercialisation of Australian biomedical research.

It aims to identify high potential scientific research projects from within Australian universities and research institutes, focussing on opportunities that have the potential to address large markets or significant unmet medical needs. Circadian is able to provide funds for further project development, in addition to providing the management expertise that is essential if the project is to meet its goal of commercialisation.

Circadian has shareholdings in Optiscan Imaging Limited, Metabolic Pharmaceuticals Limited and Antisense Therapeutics Limited, companies in which Circadian has been involved in providing management, funding and assistance in their listing. Circadian is also the largest shareholder in Zenyth Therapeutics Limited, an Australian pharmaceutical research company, and the largest shareholder in Avexa Limited.

In addition to retaining shareholdings in these companies, Circadian maintains an active research and development program. Its core neurosciences research projects aim to develop a new treatment specifically for Alzheimer's disease, to develop novel compounds based on Paracetamol, to develop a family of new analgesics and to develop compounds with potential for enhancing memory. In respect of its core cancer projects it recently announced the formation of Vegenics Limited a collaboration with Ludwig Institute for Cancer Research and Licentia Ltd to develop antagonists of VEGF-C and/or VEGF-D as therapeutic agents, initially as anti-tumour agents. Other cancer related projects include a genomics based technology for identification of the primary source of cancers, a novel technology for identification of cancer markers, and an ongoing project with Monash and Melbourne Universities developing peptide based cancer vaccines. In addition, Circadian has an extensive patent portfolio in an emerging technology in gene testing (known as in situ hybridisation) and recently announced a collaboration with Monash University in respect of the development of a method for making improved peptide therapeutics.