NEWS UPDATE

Skin Elastin Products A Significant Step Closer

- **GMP processes for commercial tropoelastin manufacture in place**
- **Range of novel product formulation options developed**
- **Formal preclinical and clinical testing to start**

December 2009, Sydney: The past year has seen Elastagen put in place the key technology and commercial platforms which will enable the Company to launch formal development of its novel Elastin products to treat aged and damaged skin.

During 2009, Elastagen completed the design and development of processes required to enable kilogram scale clinical grade production of the Elastin protein building block, tropoelastin. In addition, the Company has completed the design of a range of Elastin formulations with applications in the anti-ageing and dermatology markets. Furthermore, Elastagen has implemented an appropriate medical device Quality Management System in compliance with ISO13485 and 21 CFR 820 to guide and control product development, manufacture and testing.

Elastin offers the potential to become the new generation of treatment in anti-ageing therapy, after Hyaluronic Acid (HA) and Botulinum toxin type A, which are now central tools in cosmetic dermatology. Elastin is responsible for the suppleness and elasticity of young skin, allowing it to return to its original shape after being pinched, poked or stretched. At birth Elastin is plentiful, enabling youthful skin to be supple and resilient to the touch. However, Elastin is progressively depleted from the skin with age, sun exposure, and following injury, resulting in a gradual loss of elasticity. Elastagen's products are based on a synthetic version of human elastin, identical to that present in human skin, and provide the promise of a new approach to treating aged and damaged skin by enabling Elastin levels to be restored.

Commenting on the progress made in the year, CEO of Elastagen Robert Daniels said "We are fortunate to have a great team both within Elastagen and through our contract research and manufacturing partners who have all worked incredibly hard this year to enable us to make the progress we have. We now plan to be in the clinic within the next 12 months which would be a fantastic achievement."

The activities completed in the past year underline Elastagen's transition from an early stage research enterprise to a commercially driven product development company. Production and testing of the Elastin products has in many cases been outsourced to reputed international contract research and manufacturing organisations to ensure compliance with the relevant regulations and required quality standards.

Andrew Sneddon, Chairman of Elastagen added "The Elastagen team has made tremendous progress during the year and is now focused on building on this success as the Company progresses preclinical and clinical development of its products."

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For further information please contact

Robert Daniels, CEO
+61 9209 4054
r.daniels@elastagen.com

About Elastagen Pty Ltd:

Elastagen is a medical device company that is pioneering Elastatherapy™ using the human protein Elastin to naturally repair and augment the skin. Skin elasticity deteriorates with age due to the progressive loss of the Elastin protein, one of the three key molecules associated with youthful skin. Two of these molecules, Hyaluronic Acid (HA) and Collagen, are already used in aesthetic dermatology, but the potential for Elastin has remained untapped and offers a novel direction in anti-ageing therapy. Elastagen is the first company to have succeeded in the scaleable commercial GMP compliant manufacture of full length recombinant human Elastin for use in dermatology applications. The Company is currently conducting preclinical testing to evaluate the potential of its Elastin formulations to augment the skin and restore elasticity in both cosmetic and medical dermatology applications.

Elastagen is located in Sydney, Australia, and is a venture backed private company. Investors include ATP Innovations, Brandon Capital and GBS Ventures.

Further information on Elastagen can be found at www.elastagen.com