

FOR IMMEDIATE RELEASE

**Proteome Systems announces international licensing & commercialisation opportunity
for its Eukarion compounds**

SYDNEY, Australia and SAN FRANCISCO, USA 1 May 2007 -- Proteome Systems Ltd. (ASX: PXL) announced today a significant licensing and commercialisation opportunity for its Eukarion topical compounds. PXL has agreed to partner with a new venture, Minerva Healthcare Inc, being launched by the founders of Impax Laboratories, Athena Diagnostics and Ivax Pharmaceuticals.

Minerva Healthcare plans to focus on developing and commercialising topical products and medical devices to treat various dermatological conditions with large unmet needs ('dermal discomforts') including radiation dermatitis caused by cancer treatment, wound healing, skin ulcers, scars and skin conditions caused by ageing and sun damage.

PXL has granted an option to license its topical Eukarion compounds to Minerva Healthcare for development and commercialisation subject to Minerva Healthcare completing an initial capital raising. Under the terms of the deal, PXL will receive an upfront licence fee of US\$4million together with a further milestone payment for clinical development, 12% royalties on sales of products and a 10% equity stake in Minerva Healthcare.

Minerva Healthcare's applications are likely to be focused around a combination of four core technologies:

- the Eukarion topical series of compounds;
- Interferon-Tau - an extremely well tolerated and safe relation to Interferon Alpha (the basis of many modern drugs with market sales in excess of US\$4 Billion). IFN-Tau acts as a potent anti-inflammatory and has applications in numerous auto-immune conditions. Minerva Healthcare plans to use this for soft-tissue radiation damage;
- The FDA-approved and award-winning EpiFLO Device for rapid and advanced wound healing using a portable and unique pure oxygen supply;
- A range of patented topical cosmeceutical products developed by Dr Shyam Gupta, the Founder and President of Bioderm Research Inc. in the USA. These are likely to be used in conjunction with the Eukarion series and will initially target sunburn, sunscreen, skin lightening, anti wrinkle and rash applications.

PXL will also have board representation rights. Initially, Mr. Stephen Porges and Dr. Bernard Malfroy from Proteome Systems will join the board of Minerva Healthcare.

Mr Porges commented "This is an exciting opportunity for commercialisation of our Eukarion assets. We completed a proof of concept study in humans last year demonstrating the efficacy of these compounds in treating radiation induced dermatitis. The proposed deal with Minerva Healthcare provides us with a very clear and rapid path to market for both over the counter and FDA approved topical products."

Dr. Fleming, Chairman and CEO of Minerva Healthcare added "We have closely watched the development of the Eukarion compounds for almost a decade, and have been very impressed by their efficacy and safety data; this license is an extraordinary commercial opportunity for Minerva."

Mr Porges added “We welcome the opportunity to work with Dr. Charlie Hsiao, Dr. Nigel Fleming and Mr. Barry Edwards who between them have extensive experience in the pharmaceutical industry. They have a proven track record in the industry of founding and growing successful businesses, with one of their ventures, Ivax Pharmaceuticals valued at US\$7.4billion”.

About Minerva Healthcare

Minerva Healthcare Inc., an emerging specialty pharmaceutical and medical device company is the first “pharmadevice” company to exclusively focus on dermal discomforts with significant unmet needs. Minerva’s suite of medical devices and topical cosmeceuticals will address a spectrum of wounds, burns and other discomforts which share the common biochemical pathway of oxidative stress. The company was founded by three experienced pharmaceutical executives with proven track records in creating and running successful venture-backed companies;

- **Charlie Hsiao PhD** has co-founded two publicly traded specialty pharmaceutical companies, Ivax Pharmaceuticals and Impax Laboratories (of which he is currently Chairman). Ivax was sold for US\$7.4 billion, and Impax currently has a market cap of about US\$600 million. Between the two companies he has directly participated in raising over US\$800 million in equity capital.
- **Nigel Ten Fleming PhD** founded Athena Diagnostics serving variously as Chairman, CEO and VP of Business Development. The company was sold in 2006 for US\$283 million to Fisher Scientific International after previously being sold to Athena Neurosciences/Elan Pharmaceuticals in 1995, where Dr. Fleming became Director of Business Development, responsible for drug in-licensing. He is also a director of Impax Laboratories and Genmedica (Barcelona).
- **Barry Edwards** was the CEO of Impax Laboratories from 1999-2006, and was a key player in raising US\$500 million for the company. During his tenure, he grew the company to US\$200M in sales as a fully integrated specialty pharmaceutical company. He was previously VP of Business Development at Teva Pharmaceuticals, the largest generics company in the world.

About Proteome Systems

Proteome Systems Limited [ASX:PXL] is a product pipeline company which discovers and develops diagnostics and therapeutic products. The Company has extensive expertise in the discovery and development of protein and glycoprotein biomarkers with a focus on diseases for which there are large global markets and unmet need for diagnostics and drugs such as infectious disease, cancer and neurodegenerative disease. The Company has a portfolio of small molecule drug compounds (Eukarion compounds) which have potential application for the treatment of a range of diseases, including dermatological conditions.

PXL’s scientific leadership is demonstrated by its track record in partnering with leading US and European companies, clinical groups and research institutions to collaborate on its research programmes and develop the outcomes for diagnostic and therapeutic application.

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