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ASX MEDIA RELEASE

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Agenix and Chinese Parties agree in principle Deed of Variation to Final Settlement Deed

Agenix Limited (ASX: AGX) advises that it is in the process of entering into a Deed of Variation (“DOV”) with the Chinese Parties to the Final Settlement Deed (“FSD”) to vary the commercial terms of the final and binding ‘all in’ settlement to resolve the dispute concerning its Peoples Republic of China (“PRC”) bio-pharmaceutical investments announced by the company on 16 April, 2009. Under the FSD, Shanghai Rui Guang Bio-Pharma Development Company Limited (“SHRG”) was to pay to Agenix the total amount of ¥44,000,000 (presently approximately AUD\$7 million) by 30 November 2009. Agenix has not received the balance of proceeds due by 30 November 2009 under the FSD. Security for the payment of this sum includes personal guarantees from Jonathan Zheng and Richard Zhang, directors of the PRC vendors under the 2007 transaction documents.

The DOV is intended to implement a revised timetable for payments under the FSD. The Chinese parties paid an instalment of RMB 1,500,000 on 30 November 2009. In addition, a liability of the Agenix Wholly Foreign Owned Enterprise: Agenix Biopharmaceutical (Shanghai) Co., Ltd (“**the Agenix WFOE**”) comprising part of its ex-employee severance payments of RMB 355,450, has been passed over to the Chinese parties for the termination of ex-contracted staff who have now rejoined SHRG and Shanghai Yi Sheng Yuan Pharmaceutical Co., Ltd (“YSY”). The overall effect is that there has been a total reduction of RMB 1,855,450 from the now outstanding settlement sum owed to Agenix to RMB 37,644,550. In the event the DOV is not fully executed by all parties, Agenix and the Agenix WFOE respectively has reserved its rights to return to and enforce the original transaction documents, and will take all necessary steps to protect its position.

“We had not received an instalment payment since August,” said Agenix Chairman Nick Weston. “The company asserted its right to revert to the original purchase documentation and to litigate and, at the same time, because it was not clear that the FSD framework was no longer workable, maintained a negotiation with the Chinese parties that should shortly formalise a revised payment schedule.”

It is anticipated that a further announcement detailing the terms of the DOV will be made in the near term, once it is executed by all parties.

Nicholas Weston

Chairman

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SOURCE: Agenix Ltd, Melbourne, Australia

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