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Subject: Narhex Launches HIV Viral Load Test Kit Sales in Ethiopia

The wholly-owned Swedish subsidiary of Narhex Life Sciences Limited, Cavid AB, successfully launched the sales of its low-cost, low-technology HIV viral load assay, ExaVir® Load, in Ethiopia late last week.

The launch was held in Addis Ababa and was attended by representatives of the Ministry of Health, WHO and several non-government agencies as well as Ethiopian hospital directors, doctors and laboratory scientists. The launch was hosted by Cavid's distributor in Ethiopia, Labora Trading.

According to the Ministry of Health, Ethiopia currently has about 1.5 million people living with HIV infection. About 285,000 of these are thought to need antiretroviral therapy, but less than 30,000 are currently being treated. However, the Ministry has committed to treating 58,000 people by July 2006, 100,000 patients by December, and to increase that number to 200,000 by August 2008. As none of these patients are currently being monitored using the ExaVir® Load assay, the potential for strong market growth is enormous.

ExaVir® Load is a low-cost, low-technology HIV viral load assay which is suitable for use in monitoring patients in resource-constrained environments. These tests are already being sold in Kenya and Botswana, have been approved for sale in Zambia and Thailand, and are registered in the European Union. In addition to ExaVir® Load, Cavid makes an investigational kit ExaVir® Drug, which is used to test HIV strains from patients for resistance to two commonly-used antiretroviral drugs (nevirapine and efavirenz), ExaVir® Drug, and a suite of test kits used for laboratory research with HIV and other viruses.

The free antiretroviral therapy program in Ethiopia is mainly financed by the Global Fund to fight AIDS, Tuberculosis and Malaria, with substantial contributions from US President George W. Bush's US\$15 billion emergency plan for HIV/AIDS relief. In 2004 the US spent US\$43 million on anti-HIV activities in Ethiopia, and a further \$61 million was earmarked for 2005.

Narhex Life Sciences purchased key assets of Cavid Tech AB on 12 April 2006, and by 21 April had re-formed the company as Cavid AB in its original premises in Uppsala and had hired key former employees to ensure that the Cavid Tech business continues uninterrupted. Martyn Eales, the former Sales Manager, was appointed Managing Director.

About Narhex Life Sciences

Narhex Life sciences Limited (ASX:NLS) is an Australian biotech company which is developing an anti-HIV protease inhibitor prodrug, DG17; Narhex has recently acquired a wholly-owned Swedish subsidiary, Cavid AB, which is marketing a low-cost, low-technology test kit which



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measures the amount of HIV in plasma ("HIV viral load"), a measurement which is virtually essential for treating patients with HIV infection.

For more information about Narhex, visit www.narhex.com or contact:

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