

ASX/News Release

9 March 2005

DIA-B MAKES SIGNIFICANT ADVANCE IN DIABETES RESEARCH

Melbourne, 9 March 2005, The Board of Dia-B Tech Limited (ASX: DIA), the recently ASX listed medical researcher targeting diabetes, is pleased to announce the following results of the latest research into ISF402, which it believes is a significant advancement in preparing ISF402 for human trials and as a potential new drug for treating Type 2 diabetes.

Highlights:

- Significant progress in understanding how the peptide ISF402 works
- A better understanding of the molecular structure helps in determining the stability and potency of ISF402
- Potential for patent for this novel mechanism of ISF402 peptide
- Research findings show interaction between ISF402 and insulin
- Appointment of Chief Executive Officer, Mr Ken Smith

The findings shed further light on how ISF402 will improve the potency of insulin. ISF402 is based on a natural protein found in human fluids that enhances the effectiveness of naturally produced insulin and injected insulin.

ISF402 is a novel insulin sensitiser discovered by Professor Paul Zimmet AO and Associate Professor Frank Ng of Monash University, which could help Type 2 diabetes sufferers lower blood glucose levels and enhance the potency of insulin.

Commenting on the success of the recent findings, Prof Zimmet the foundation director of the International Diabetes Institute and Professor of Diabetes at Monash University, who is instrumental in the Dia-B projects said:

“Metformin is the most popular drug used for the past 50 years to treat diabetes, and only recently has understanding been reached in how it may work, whereas Dia-B

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has made significant progress in a relatively short time on understanding how ISF402 may work.”

ISF402 is targeted for Type 2 diabetes, which is mainly a lifestyle disorder associated with obesity where the body produces insulin but the body tissues are resistant to it. This is called insulin resistance. Recently, scientists implicated insulin resistance as a possible cause of high blood cholesterol, high blood pressure, obesity and Type 2 diabetes, this is called the ‘Deadly Quartet’.

Prof Zimmet, said: *“As ISF402 acts by reducing insulin resistance, it has a potential role in treating this quartet, a combination causing high risk of heart attacks and strokes.”*

“The main advantage of ISF402 over existing therapies is that ISF402 is based on a naturally occurring peptide in human fluids. With only four amino acids, ISF402 can be synthetically produced easily and because of this small chain it is more adaptable to be formulated orally. The risks and side effects should be minimal because it is naturally occurring. ”

Based on the novelty of these findings the Board is investigating extending its patent coverage.

Dia-B’s immediate strategy is to focus on developing the ISF402 peptide toward phase 1 human trials in 2006.

Appointment of Chief Executive Officer

The Board is pleased to announce that Mr Ken Smith has been promoted to Chief Executive Officer from his current position as General Manager.

- Ends -



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EDITORS NOTES

Dia-B, has agreements with some of the global leading medical research institutions, including the International Diabetes Institute (IDI), Monash University, Baker Medical Research Institute and Deakin University.

The company conducts research and development with the aim of discovering and developing novel compounds and diagnostic systems for diabetes and diabetes-related diseases with a view to commercialisation.

Dia-B has four research projects that uniquely target all aspects of diabetes. IDI and Monash University are conducting research into Dia-B's most advanced project, known as the ISF402 Peptide Project.

ISF402 is a natural peptide found in human fluids that enhances the effectiveness of naturally produced insulin and injected insulin. ISF402 is targeted specifically for Type 2 diabetes, which is mainly a lifestyle disorder associated with obesity where the body produces insufficient insulin or where the insulin is inefficient.

Professor Paul Zimmet pioneered Australia's first Institute dedicated exclusively to diabetes research, education and clinical care. He is recognised as a world authority figure on diabetes and is a co-inventor of ISF402.

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