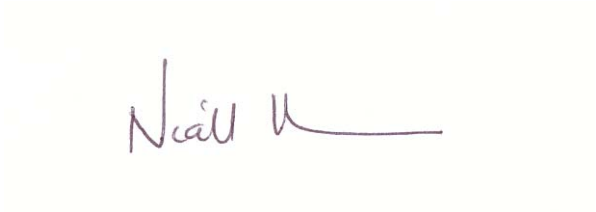
Company Announcements Office
Australian Stock Exchange Limited
4th Floor, 20 Bridge Street
Sydney NSW 2000

12 January 2009

Dear Sir/madam,

Attached is the presentation being made by Arana Therapeutic's Acting CEO, Dr Steffen Nock, at the JP Morgan Healthcare Conference.

Yours sincerely



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arana therapeutics®

Corporate Overview

Steffen Nock, PhD
Acting CEO
January 2009

Safe Harbor Statement

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This presentation contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. When used in this presentation, statements that are not statements of current or historical fact may be deemed to be forward-looking statements. Without limiting the foregoing, the words "plan", "intend", "may," "will," "expect," "believe", "could," "anticipate," "estimate," or "continue" or similar expressions or other variations or comparable terminology are intended to identify such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. Except as required by law, the Company undertakes no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.

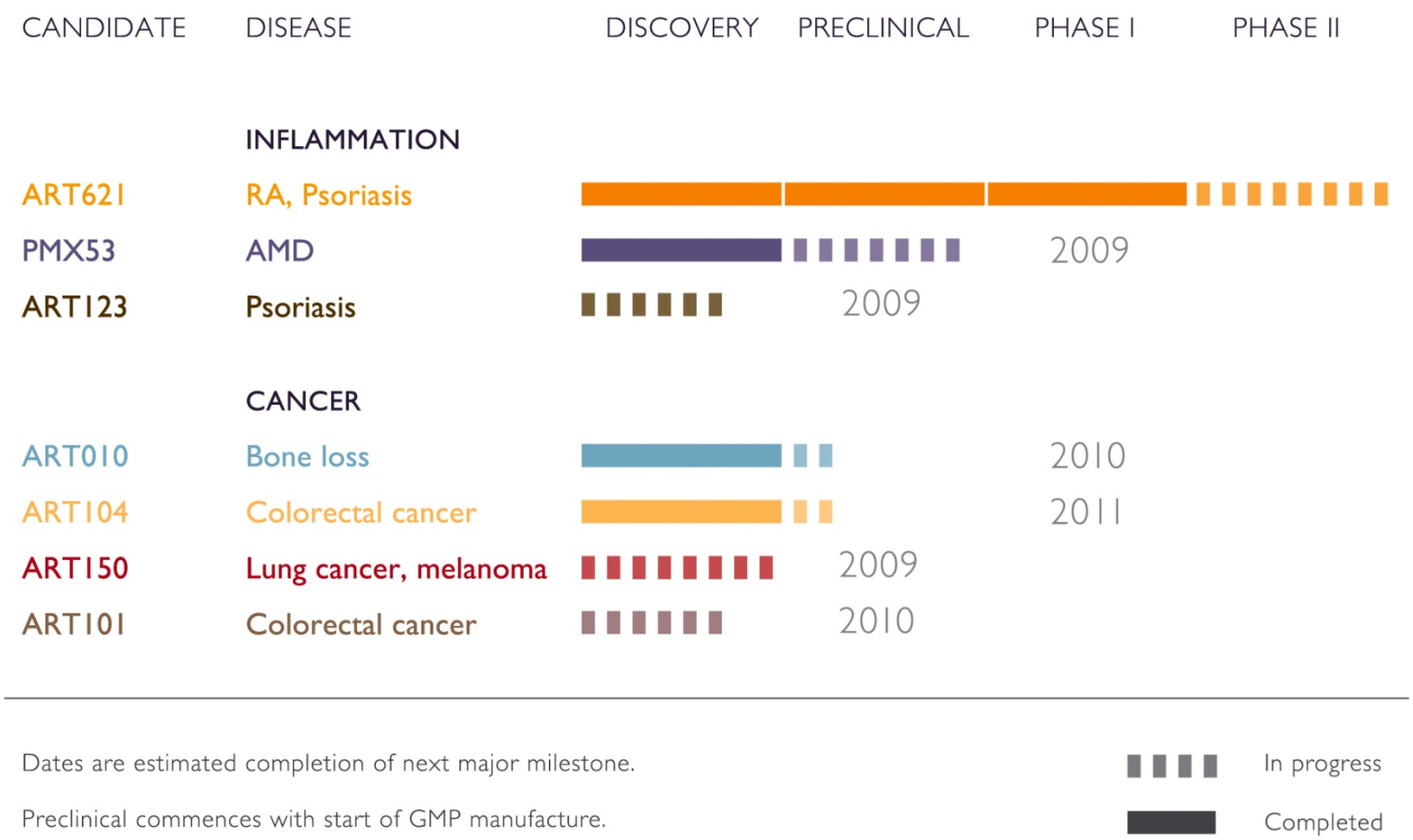
Arana Therapeutics - Corporate Snapshot

- Focus on next generation biologics for **Inflammation** and **Cancer**
- ASX: AAH
- Market cap: US$130 million
- **Australia**: Corporate Headquarters Technology and Clinical development
- **San Francisco**: Business Development and Project sourcing

Arana Therapeutics - Highlights

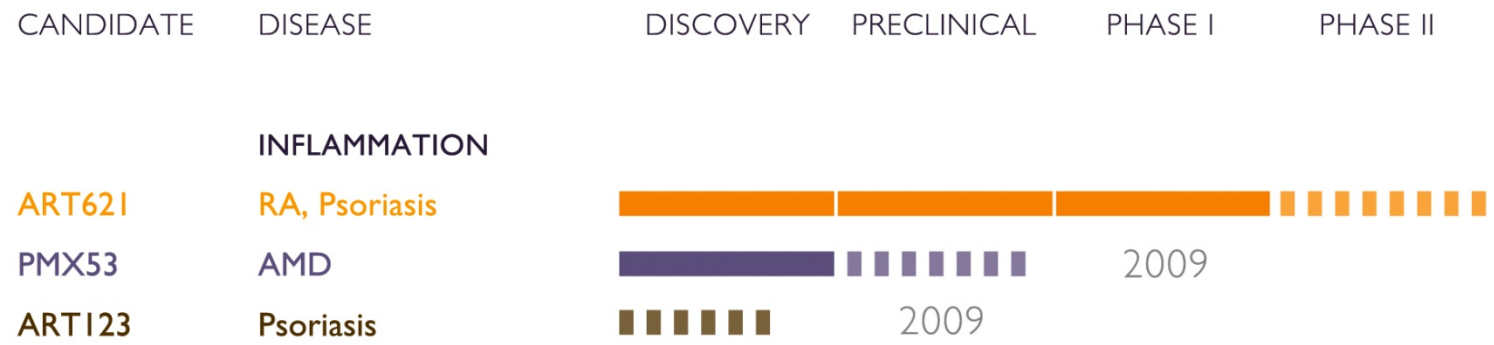
- Robust product pipeline targeting major markets in cancer and inflammation
- Strong balance sheet with solid cash reserves underpinning product development
- Lead drug candidate ART621 in Phase II clinical trials for psoriasis and rheumatoid arthritis (under IND)
- Proven protein engineering platform delivering products to Arana's pipeline and it's Pharma partners
- Key patent position on major therapeutic antibody target (TNF) providing ongoing revenues from big Pharma companies
- Extensive partnerships with big Pharma / biotech
- Experienced management team and advisors

Arana Pipeline



→ **Deep Pipeline – Room for Attrition**

Arana's Product Pipeline – Inflammation



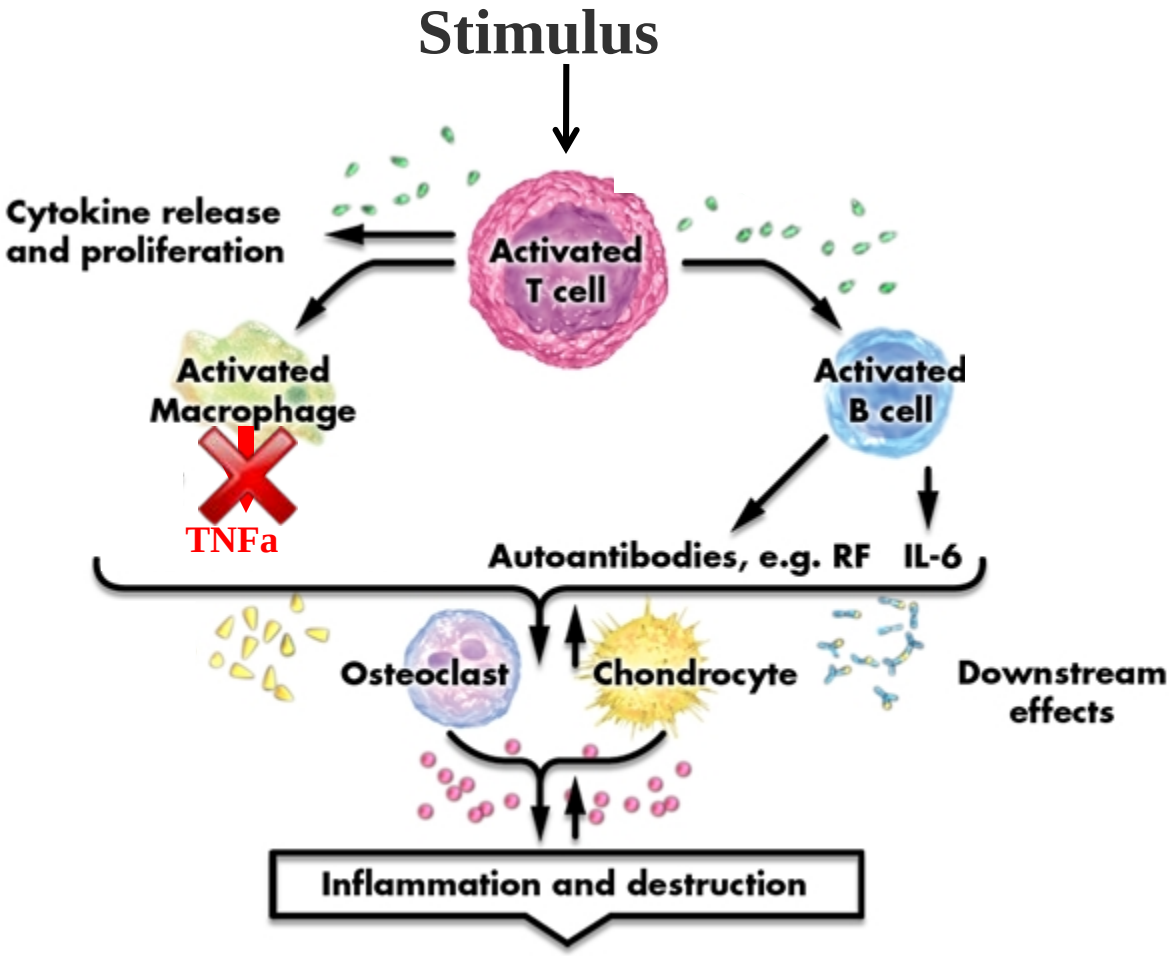
Dates are estimated completion of next major milestone.

Preclinical commences with start of GMP manufacture.

In progress

Completed

Role of TNFα in Inflammation



Marc Cohen :*The Internet Journal of Rheumatology*. 2007; 3(1)

Lead Compound ART621 for Inflammatory Disorders

Profile:

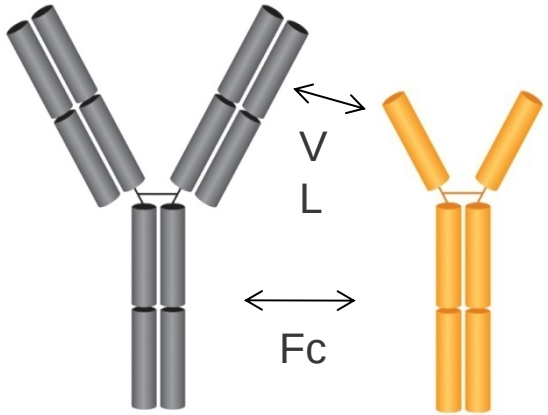
- Next generation anti-TNF domain based antibody
- First human framework domain antibody product to be administered to humans

Status:

- Phase II trials initiated in Psoriasis and Rheumatoid Arthritis
  - IND for Rheumatoid arthritis open
  - Pilot RA study – 20 patients - ongoing (Sri Lanka)
  - International RA dose ranging study ongoing

Anti-TNF Market:

- Estimated market > US$20 billion in 2012



IgG: 150kD ART621: 75kD

Next Milestone

- Results from Phase II Psoriasis trial in Q1 2009
- Recruitment of RA Phase II international trial completed Dec. 2009

ART621- Low Development Risk and Large Market Opportunity

- **TNF inhibitors have revolutionised treatment of inflammatory diseases**
  - Validated target – clear clinical and regulatory pathway
  - Non-response and immunogenicity issues with current products
- **ART621 is highly active**
  - ART621 at least equivalent to marketed drug in pre-clinical studies
  - Competitive half life approximately 14 days
- **ART621 is smaller than other anti-TNF products**
  - Engineered to have low immunogenicity
  - Potentially better penetration of diseased joints and tissues
- **ART621 is much easier to produce**
  - Higher yielding antibody and free of Genentech's "Cabilly" patent
  - Can supply market demand - expanding list of indications

ART621 – Completed Phase I and Ongoing Psoriasis Studies

Indication	Number Subjects	Doses	Design & Duration	Route	Country
Phase I Volunteer PK	43	Up to 8mg/kg	Single dose, dose escalation	IV and SC	Australia
Phase II Psoriasis	57	0.5, 1.0 & 2.0 mg/kg	Randomised, double blind, placebo controlled – 3 months duration	SC	Australia

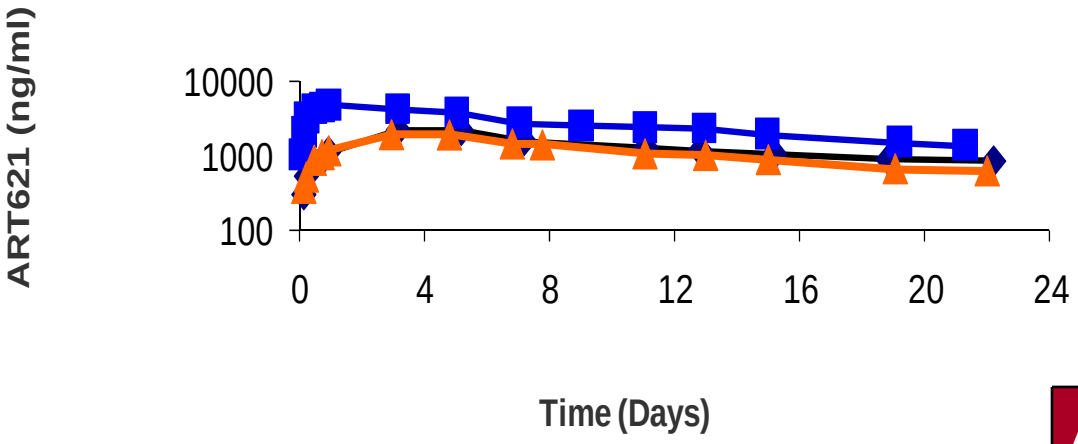
ART621 – Clinical Data Summary (Dec 2008)

In completed Phase I and ongoing Phase II studies….

- ART621 is generally well tolerated with an acceptable safety profile
- No clinically significant changes in laboratory parameters
- Adverse event profile consistent with anti-TNF activity
- Psoriasis data expected Q1/2009
- Pilot RA data expected Q3/2009

ART621 – Indicative Pharmacokinetics in Humans

ART621 serum levels after s.c. dosing at 2.0 mg/Kg (n=3)



Antibody-like pharmacokinetics at half the size!

Agent	Half-life
Enbrel	Short (~4 days)
Remicade	Medium (~8 days)
Humira	Long (~14 days)
ART621	Long (~14 days)

ART621 – Ongoing Rheumatoid Arthritis Program

Study No	Phase & Indication	Design	N	Countries	Duration
ART621/223	Phase II – pilot rheumatoid arthritis study	Randomised, double blind placebo controlled	20	Sri Lanka	3 months + 2 months follow up
ART621/221	Phase II – formal dose ranging study in RA	Randomised, double blind placebo controlled	200	Australia, NZ, USA, India, Malaysia, Poland, Czech Republic & Argentina	3 months + 2 months follow up

Complement in Inflammation

Stimulus

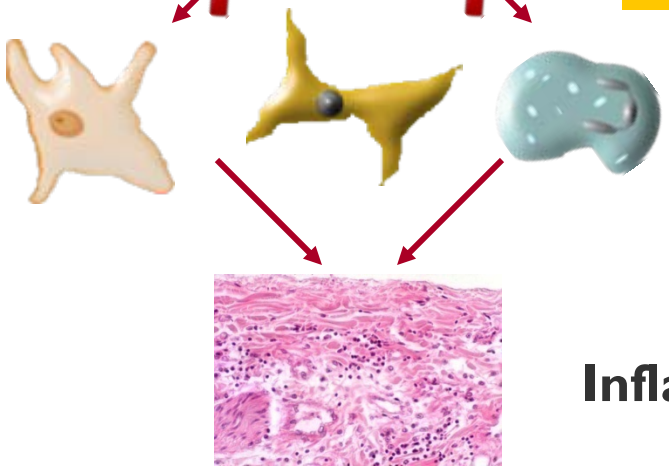
Bacteria, immune complexes etc.

Complement activation

C5a

Recruitment of immune cells

C5aR antagonist PMX 53



Cytokine release

Inflammation

PMX 53: C5a receptor antagonist

Profile:

- 'Gold standard' complement inhibitor

Status:

- Late stage pre-clinical development

Market:

- Targeting: age-related macular degeneration (AMD), systemic inflammatory disorders

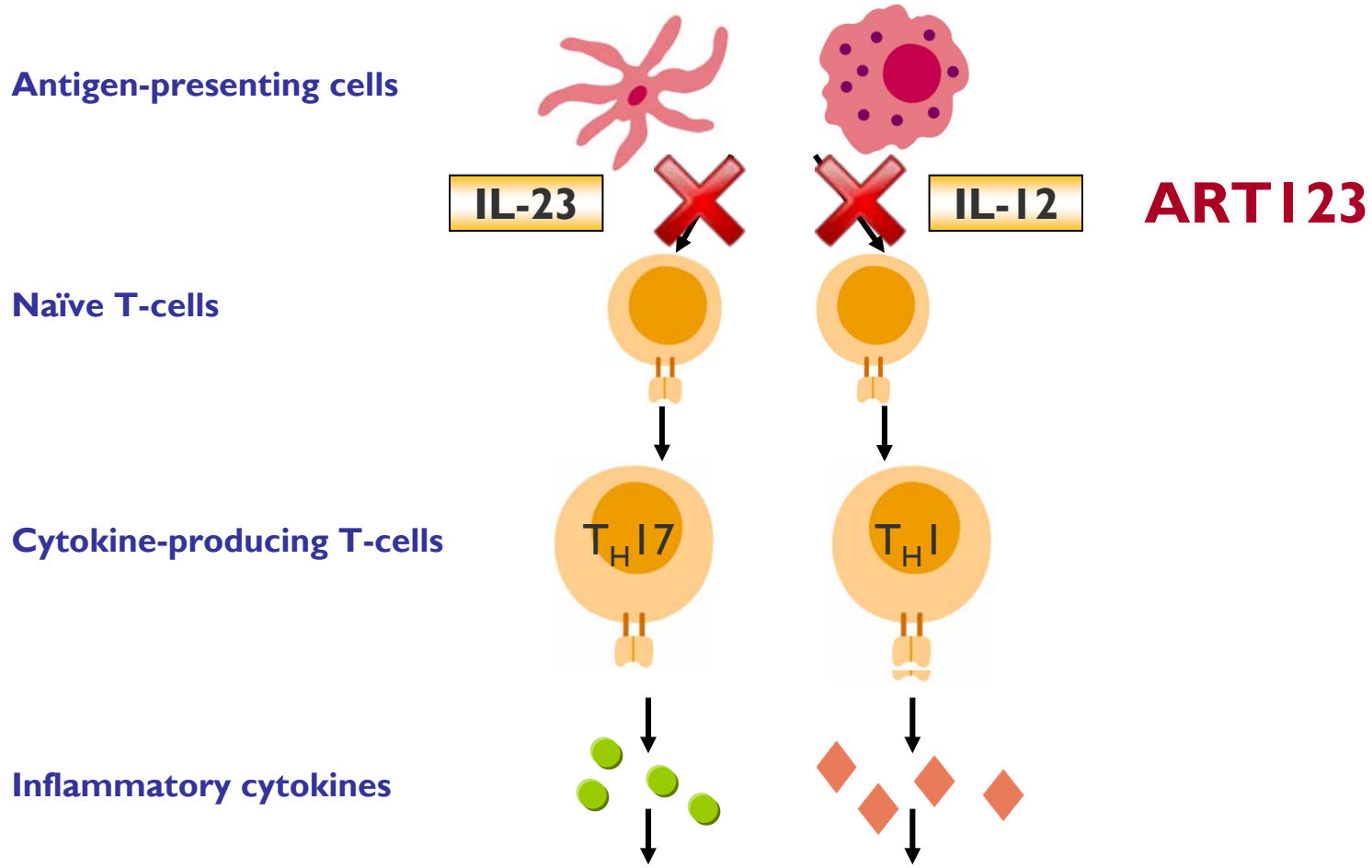
Next Milestone:

- Phase I/II AMD trial commencing Q2 2009

PMX 53: Ocular indications

- Age Related Macular Degeneration (AMD)
- PMX 53 efficacious in eye – Induced choroidal neovascularisation (CNV) AMD model in mice and rats
- Planning to establish clinical proof of concept with intravitreal injection
- Aiming for non-invasive administration longer term

IL-12/23 promote T-cell differentiation & inflammation



Inflammation and Autoimmune Disease

ART123 for Inflammatory Disorders

Profile:

- Anti-IL12/23: targets the common subunit of IL12 & IL23, neutralising the pro-inflammatory effects of both cytokines

Status:

- Pre-clinical (lead optimization)
- IP filed around novel epitope

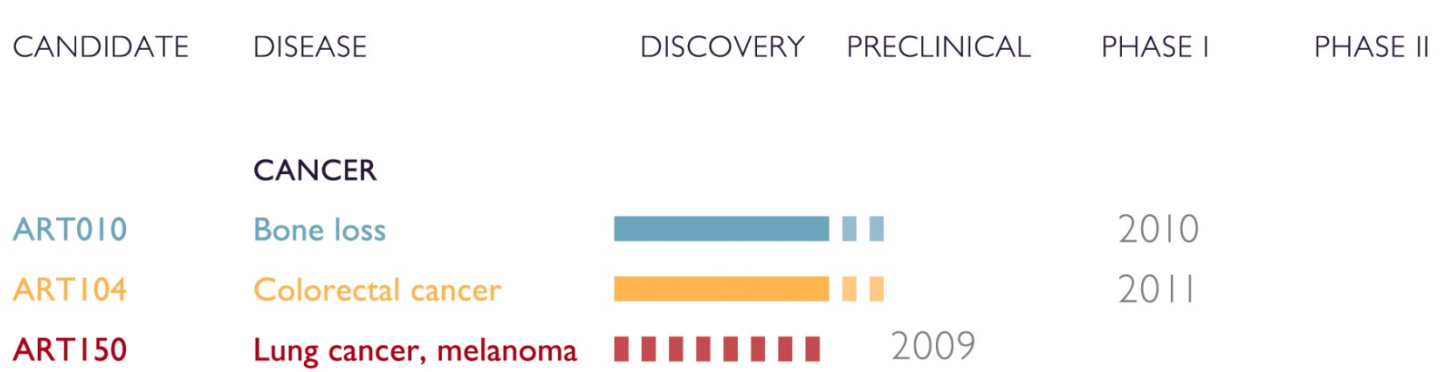
Market:

- > US$2 billion for psoriasis (+ Crohn's disease approx $1 billion)
- Target validated by Johnson & Johnson/Centocor's ustekinumab (submitted to FDA) & Abbott's ABT-874 (Phase III)

Next Milestone:

- Commencing pre-clinical enabling manufacturing in 2009
- Commence cell line construction for GMP manufacture by Q1/2010

Arana's Product Pipeline – Oncology



Various other leads in discovery phase

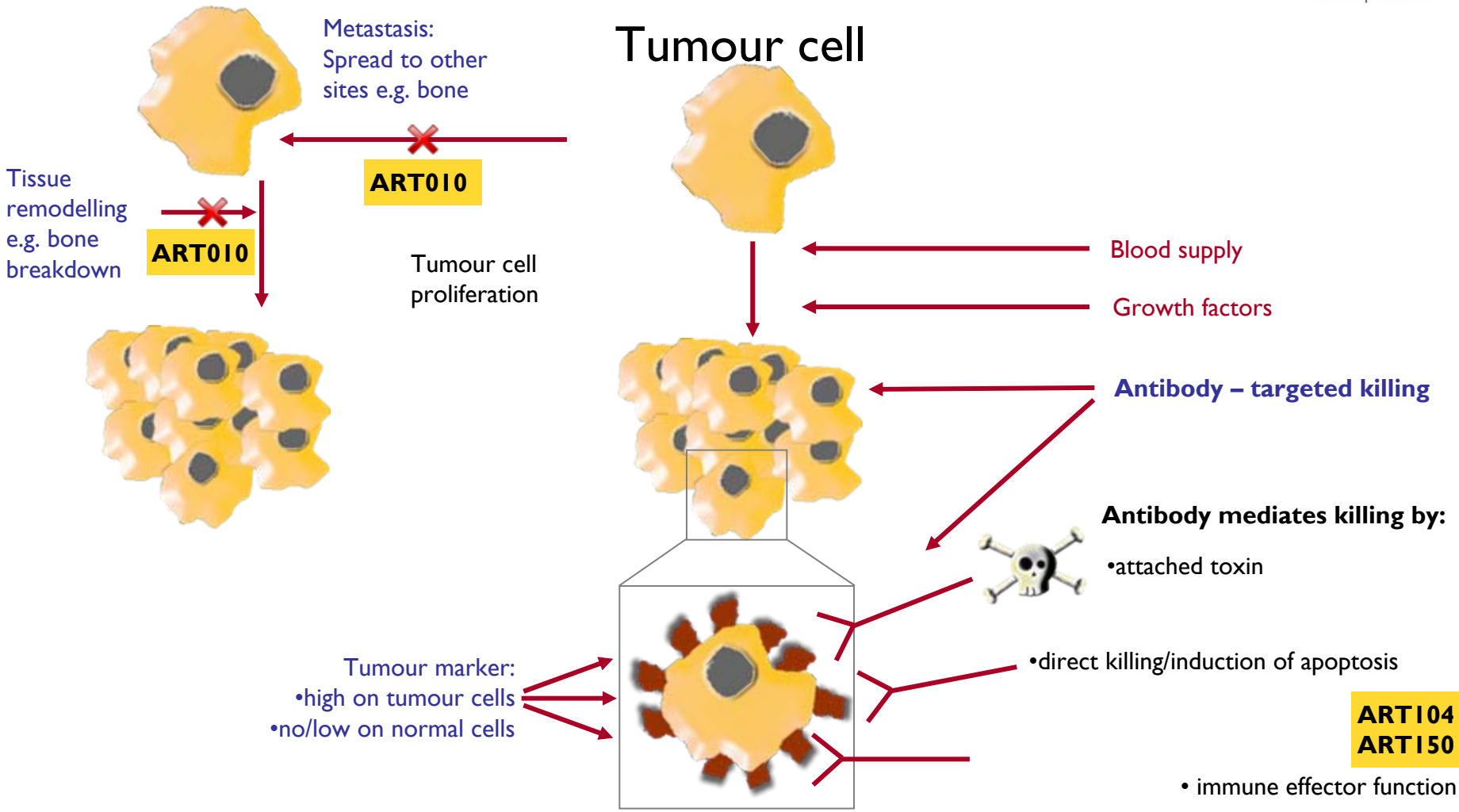
Dates are estimated completion of next major milestone.

Preclinical commences with start of GMP manufacture.

In progress

Completed

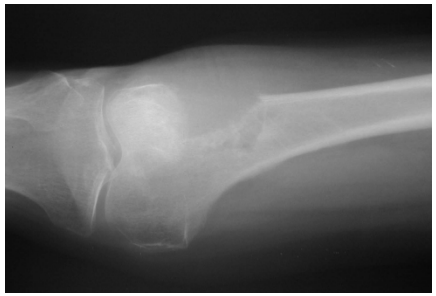
Cancer: Multiple Points of Intervention



ART010 in Bone Cancer

Profile:

- Targets RANKL, which causes bone breakdown associated with cancer metastasis to bone
- Variant of osteoprotegerin (OPG) developed using Arana's evolution technology



Status:

- Pre-clinical

Market:

- > $1 billion for adjunct treatment to reduce bone erosion, fragility and pain
- Target clinically validated by Amgen's denosumab (Phase III)
- Strong IP-related barrier to entry (Amgen + Arana)

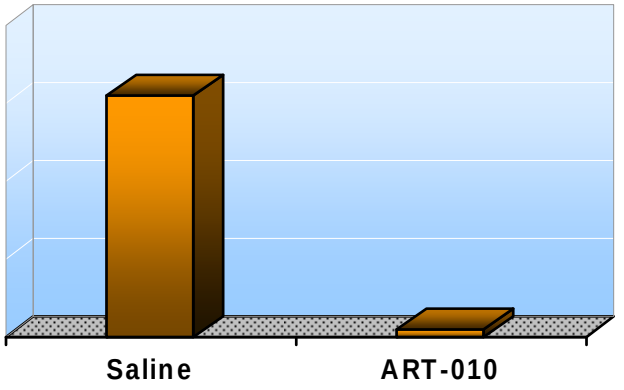
Next Milestone:

- Commencing clinical trials Q1 2010

ART010 in Bone Cancer

- **ART010** completely suppresses breakdown of bone by human breast cancer
- **ART010** reduces ability of tumor to grow in bone
- **ART010** is as effective as OPG in other models for bone erosion, osteoporosis
- **ART010** – undesirable secondary binding of OPG to TRAIL (modulates cancer surveillance) eliminated

ART010 inhibits bone erosion in bone cancer



Proportion of mice showing bone erosion. Mice have human breast cancer cells growing in bone.

Arana's' Protein Engineering Platforms - Optimizing Antibodies

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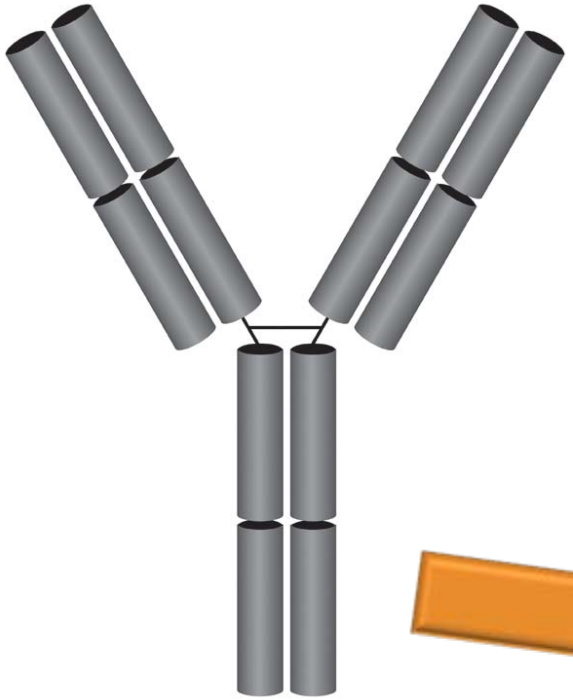
"Front end"
Interaction with Target



"Back end"
Interaction with Immune System

Superhumanization™ → Reduced Immunogenicity

EvoGene™ → Increased Potency

dAb Formatting* → Enhanced Tissue Penetration

Glycoengineering* → Enhanced Target Cell-Killing

* = via partnership

Leveraging Next-Generation Technologies to Build Arana's Pipeline

Arana Product	Target	Improvement technology	Improvement
ART621	TNFα; autoimmune disease	dAb format (Domantis/GlaxoSmithKline)	Smaller size
ART010	RANKL; bone erosion	EvoGene™	Fine-tuned specificity to reduce potential toxicity
ART104	Glycolipid; cancer	Fc Glycoengineering (BioWa/KHK)	Enhanced cancer cell-killing
Early stage anti-cancer mAbs	Cancer cell surface antigens	Fc Glycoengineering (Greenovation); Superhumanization™; EvoGene™	Enhanced cancer cell-killing

EvoGene™ - Track Record of Success

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Product	Starting Affinity	Final Affinity	Fold-Improvement	Format
External 1	8nM	270pM	**30**	IgG
External 2	207pM	20pM	**10**	IgG
External 3	6nM	296pM	**20**	scFv
External 4	479pM	47pM	**10**	IgG
External 5	3nM	120pM	**25**	IgG
Internal 1	358nM	16nM	**22**	IgNAR
Internal 2	3.68µM	146nM	**25**	scFv
Internal 3 (ART010)	Binds RANKL & TRAIL	Binds RANKL	**Min 250-fold Specificity Modification**	Globular protein

Lucrative Partnerships and Collaborations

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greenovation	June 2008	Co-development of antibodies against up to 5 targets combining both companies technologies	Share development costs and revenues
KYOWA	Apr 2008	Co-development of ART104	Upfront, milestone 50:50 split of returns
AVEO PHARMACEUTICALS, INC.	Oct 2007	Superhumanisation™ Technology licensing (up to 5 targets)	Upfront, milestones, royalties
vegenics A Global Cancer Initiative	Mar 2007	Single project humanisation/optimisation of flagship product completed	Upfront, milestones, royalties
CSL Limited Biopharmaceuticals for Life™	Jun 2006	Multiple humanisation/optimisation projects 2 projects completed	Upfront, milestones, royalties
gsk GlaxoSmithKline	Oct 2005	Up to 3 optimisation projects 1st and 2nd projects completed	Upfront, milestones, royalties
centocor	Nov 2004	Arana TNF Patent Estate	Licensing income
Abbott A Promise for Life	Dec 2003	Arana TNF Patent Estate	Licensing income

Strong Balance Sheet

Current Cash = US$127 million

- Shares outstanding: 230 million
- Average volume per day: 475,000
- Market cap: US$130 million

Future Cash Flow

- Abbott/J&J (US$45-50 million) to Q1 2011
- Technology licensing revenue (upfronts / milestones / royalties)*
- Product licensing revenue (upfronts / milestones / royalties)
- Co-development income (KHK deal)

(*4 deals, 12 products)

Experienced Management Team

Steffen Nock, PhD
Acting CEO (Absalus, Zyomyx)

Rob Crombie, PhD
VP, Technology Licensing (ML Laboratories, Cobra Therapeutics)

David Fuller, MD
Chief Medical Officer (Genzyme Corporation)

Niall Henderson, ACA
Chief Financial Officer (TNT International)

Cliff Holloway, PhD
VP, Product Licensing (Novartis, Eli Lilly, Pharmacopeia)

Phil Jennings, PhD, FTSE
Chief Scientific Officer (CSIRO, MRC Cambridge)

Board of Directors

Mr Robin Beaumont (Chairman)
Chairman of Select Vaccines Ltd and Primegro

Mr. Gordon Black
Managing Director BioFusion Capital and East West Capital

Dr Lincoln Chee
Managing Director of Quality Healthcare Medical Services

Mr Chris Harris
Chairman of ARGO Investments Limited

Dr George Jessup
Managing Director of Start-up Australia

Scientific Advisory Board

Professor Mark Hogarth
Melbourne University, Australia

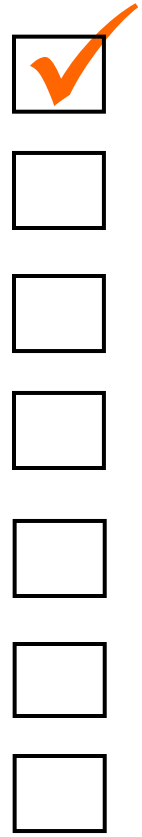
Professor Sir Ravinder Maini, FRS
Imperial College, London, United Kingdom

Dr Till Medinger
Astra Zeneca, London, United Kingdom

Professor Sir Greg Winter, FRS
Medical Research Council, Cambridge, United Kingdom

Arana – Upcoming Milestones

- Initiation of ART621 RA Phase II trials
- Results of Phase II Psoriasis study Q1 2009
- Commence PMX Phase I trial Q2 2009
- Results of ART621 pilot RA study Q3 2009
- Recruitment completes for ART621 Phase II RA study Dec 2009
- Initiation of ART010 Phase I trial Q1 2010
- ART123 commence cell line construction for GMP manufacture Q1/2010



Questions

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