



29 November 2010

Chairman's Address for ChemGenex Pharmaceuticals Limited Annual General Meeting

Delivered by Mr Brett Heading, Chairman

Guests, shareholders, fellow directors and friends of the company. Welcome to the 2010 Annual General Meeting of ChemGenex Pharmaceuticals.

In opening I apologise to shareholders on behalf of our U.S. and European-based directors who are not able to join us today; Mr Dan Janney, Mr Elmar Schnee and Mr Jean-Luc Tétard.

The last twelve months have seen some significant commercial achievements - including the Hospira European licensing deal, and last month's significant investment from global biopharmaceutical company, Cephalon; but also an unanticipated delay in the regulatory approval of omacetaxine.

The Hospira licensing agreement for the greater European territory in December 2009 was a major commercial achievement for the Company and was one of the largest deals completed by an Australian biotechnology company. The agreement delivered up-front payments of \$17.5 million, supporting the Company's cash position and the ongoing development of omacetaxine, as well as providing for potential performance milestones of up to €74 million, in addition to future product sale royalties.

As you will recall in March 2010, the Company's development and commercialisation plan for omacetaxine received an unexpected delay when the FDA recommended a diagnostic test for the T315I mutation be approved prior to the approval of omacetaxine. ChemGenex has since worked with the FDA to agree a regulatory path forward for omacetaxine which will result in combining data from its two phase 2/3 clinical trials into a New Drug Application to be submitted to the FDA.

More recently ChemGenex received its first tranche of \$10 million funding from Cephalon as part of the Convertible Note Deed with a further \$5 million expected later this year pending shareholder approval. As you will be aware Cephalon has also entered into option agreements with two of ChemGenex's major shareholders, Stragen International N.V. and Merck Santé S.A.S giving Cephalon the right to acquire up to 19.9% of the outstanding ChemGenex shares at a price of \$0.70 per share. These agreements demonstrate continued support and interest from major pharmaceutical companies in ChemGenex's product and strategy. The funding from Cephalon and the licensing deal with Hospira came at a time of increased competition for capital amongst biotechnology companies and will enable the Company to trade through two consecutive financial years, 2010 and 2011, without requiring additional investment from existing shareholders, whilst limiting dilution.

These two significant commercial outcomes would not have been achieved without the tireless efforts of Greg and his management team and I would like to extend my thanks and congratulations to Greg and his team for these successful commercial outcomes. Whilst the regulatory delay was unfortunate, ChemGenex now enters 2011 with a clearly defined strategy to achieve commercialisation for its key product, omacetaxine, as agreed with the FDA, with sufficient funding to support the Company through to late 2011.

I will now ask ChemGenex's CEO, Dr Greg Collier, to share with you an overview of the company, the commercial achievements of the past year and the regulatory progress anticipated over the coming year.