



**FOR IMMEDIATE RELEASE**

**ChemGenex Subsidiary Receives US Therapeutic Discovery Grant**

**MELBOURNE, Australia, and MENLO PARK, California U.S.A. (2 November 2010)** – ChemGenex Pharmaceuticals Limited (ASX: CXS) announced today that its U.S. subsidiary, ChemGenex Pharmaceuticals Inc. has been awarded a US\$244,479 grant under the auspices of the Qualifying Therapeutic Discovery Project, a grant and tax credit scheme operated by the U.S. Internal Revenue Service (IRS).

The Qualifying Therapeutic Discovery Project Tax Credit was included in the U.S. Health Care Reform Bill of 2010 to foster medical, life science, and biological innovation in the U.S., and was open to eligible U.S. biotechnology companies including ChemGenex Pharmaceuticals, Inc.

“We are delighted to receive this grant from the IRS and the U.S. Department of Health and Human Services, and look forward to submitting the new NDA for omacetaxine in CML patients who have failed two or more tyrosine kinase inhibitors to the U.S. FDA in 2011” said Greg Collier Ph.D., Managing Director and Chief Executive Officer of ChemGenex

**About ChemGenex Pharmaceuticals Limited**

ChemGenex is an oncology focused biopharmaceutical company developing small molecules with new mechanisms of action to treat malignancies with significant unmet medical needs. A New Drug Application is under review by the U.S. Food and Drug Administration and a Marketing Authorisation Application is under review by the European Medicines Agency for CML patients who have failed imatinib therapy and have the Bcr-Abl T315I mutation. An additional New Drug Application is in preparation for CML patients who have failed two or more currently approved tyrosine kinase inhibitors. ChemGenex has established a corporate alliance with Hospira to develop and commercialize omacetaxine in Europe, the Middle East and parts of Africa, and is seeking to establish commercial partnerships in the rest of the world. ChemGenex plans to commercialize omacetaxine itself in North America. ChemGenex trades on the Australian Stock Exchange under the symbol "CXS". For additional information on ChemGenex Pharmaceuticals, please visit the company's website at <http://www.chemgenex.com>.

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**Safe Harbor Statement**

Certain statements made herein (including for this purpose sites to which a hyperlink has been provided) that use the words “estimate”, “project”, “intend”, “expect”, “believe” and similar expressions are intended to identify forward-looking statements within the meaning of the US Private Securities Litigation Reform Act of 1995. These forward-looking statements involve known and unknown risks and uncertainties which could cause the actual results, performance or achievements of the company to be materially different from those which may be expressed or implied by such statements, including, among others, risks or uncertainties associated with the development of the company’s technology, the ability to successfully market products in the clinical pipeline, the ability to advance promising therapeutics through clinical trials, the ability to establish our fully integrated technologies, the ability to enter into additional collaborations and strategic alliances and expand current collaborations and obtain milestone payments, the suitability of internally discovered genes for drug development, the ability of the company to meet its financial requirements, the ability of the company to protect its proprietary technology, potential limitations on the company’s technology, the market for the company’s products, government regulation in Australia and the United States, changes in tax and other laws, changes in competition and the loss of key personnel. These statements are based on our management’s current expectations and are subject to a number of uncertainties that could change the results described in the forward-looking statements. Investors should be aware that there are no assurances that results will not differ from those projected.