ASX ANNOUNCEMENT

Dose Ranging in Mice - Repeated Success

- **Wide dosing window confirmed – at least 4 times therapeutic dose**
- **Green light to progress from mice to larger species**

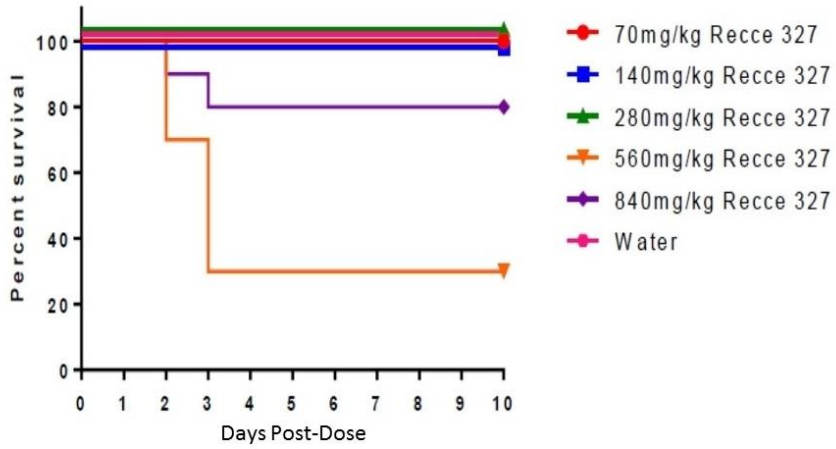
Sydney, New South Wales, 15 August 2016 – Recce Ltd (ASX: RCE), the developer of a new class of patented drugs targeted at antibiotic, anti-cancer and anti-viral human applications is pleased to announce results from two studies, each within a registered, independent Contract Research Organisation (CRO) in the USA.

Each study was done in the context that a previous announcement by Recce has recorded that an injected dose of 70mg/kg in mice is efficacious against infections by bacterial MRSA superbug. The aim of each test was to determine the upper limit of dosing by injection, which mice would tolerate, without stress from toxicity.

From the first test, results (below) indicated a large therapeutic 'window' between the 70mg/kg of (healthy) mouse and the dose tolerated – at least 280mg/kg of RECCE® 327 per mouse; at least a 4 fold window and twice that which we believe the Food & Drug Administration (FDA) typically considers safe.

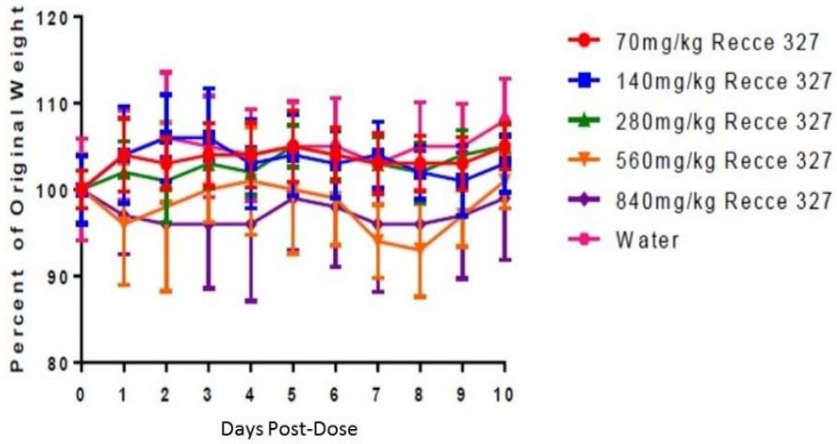
Study One:

Results: Survival



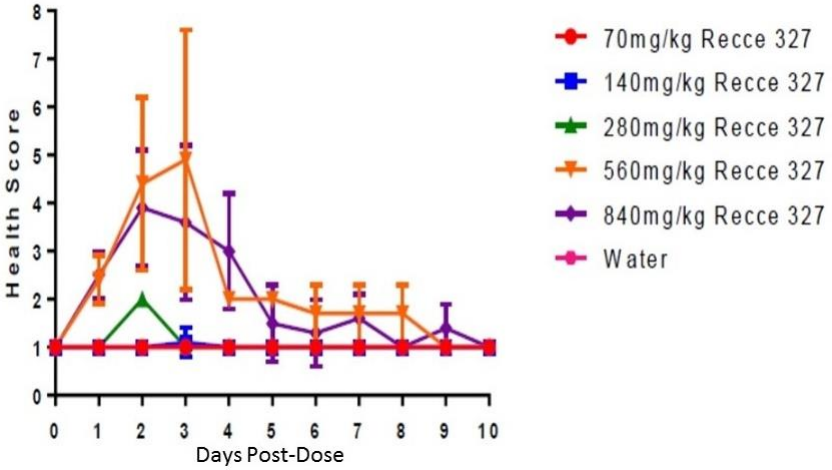
The test was conducted upon 6 groups of 10 mice each; non-survival being due to death (which was not observed) or culling upon the basis of greater than 25% weight loss (which occurred minimally) or visual assessment of a mouse's health deteriorating above 6 on a scale of 1 (healthy, normal) to 8 (very sick). See below:

Results: Weight Loss



All mice stayed within an acceptable weight range (less than 25% weight loss) – an important result.

Results: Heath Score



(A careful examination of the above diagrams by us, in our view, indicates that once a mouse showed stress, apparently for humane reasons, culling has been made earlier than the planned criteria – and as a result, in this instance only, Percent Survival and the statistical variation of Health Score as indicated by the vertical lines, have lost some objectivity and accuracy.)

Study Two:

In the second study, again in the context of RECCE® 327 giving efficacy at 70mg/kg of mouse – again the results (from monitoring mouse morbidity, and body weight in grams – see below) were very encouraging in that no mouse in a group of 5 showed any distress nor significant weight loss upon a daily dosing regime of 140mg/kg of mouse on each of 5 consecutive days, and observation for a further 11 days.

Group 1	Day(s) Relative to Start Date															
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
1-1	16.9	17.1	17.5	17.2	17.7	17.6	18.2	17.6	17.0	17.0	16.8	17.4	17.6	16.9	16.9	17.2
1-2	17.3	17.7	17.9	17.7	17.8	18.3	18.4	18.7	18.6	18.3	18.3	18.4	18.4	18.1	18.1	18.5
1-3	17.3	17.3	17.1	16.7	16.5	16.0	16.6	16.4	16.2	16.4	16.6	16.7	17.1	17.3	17.7	17.0
1-4	16.7	17.6	17.8	17.3	17.3	17.6	18.1	18.1	18.2	17.7	17.5	17.8	18.6	17.7	18.0	18.1
1-5	15.5	16.0	16.6	16.2	16.4	16.7	16.9	17.0	16.4	15.8	15.4	15.8	16.3	16.1	15.7	15.7
Mean	16.74	17.14	17.38	17.02	17.14	17.24	17.64	17.56	17.28	17.04	16.92	17.22	17.60	17.22	17.28	17.30
SD	0.74	0.68	0.54	0.58	0.66	0.90	0.83	0.90	1.07	1.00	1.08	1.01	0.95	0.77	1.00	1.09
N	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5

Recce has now completed and reported very good data for RECCE® 327 from the 3 tests which are the most common reasons for test drugs' failure in early testing required by the FDA:

i. Sufficient solubility in aqueous solvents; RECCE® 327 is highly water soluble;
ii. Not causing genetic toxicity/mutagenicity/cancer; excellent results on RECCE® 327, reported 20/07/2016;
iii. Sufficiently wide window between efficacy and toxicity; reported here.

Recce will now continue to advance through the pre-clinical trials, concluding the toxicity testing requirements in mice to advance into larger species in the aim of replicating these results before final submission to the Food & Drug Authority (FDA) in Q2 2017.

Dr Graham Melrose, Executive Chairman commented, "We've always been confident in RECCE® 327's efficacy - and to now have these dosing/safety results - gives us great confidence in what's to follow."

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About Recce Ltd

Recce Ltd (ASX: RCE) is a world-leader in synthetic-polymer antibiotics. The RECCE® antibiotics have been synthesized by an extremely economic method.

RECCE® antibiotics have shown in laboratory tests that they have continued activity against bacteria, including superbugs, even after repeated use.

Recce is positioned to achieve milestones in both pre-clinical trials for FDA purposes, and the development of the manufacture of RECCE® 327.

The discovery of RECCE® 327's capabilities against cancer and viruses (as well as bacteria-superbugs) has greatly increased the value of the Company's technology, especially in view of the synergism between antibiotic/anti-cancer properties and anti-viral/anti-cancer properties.

Recce has granted patents in Australia, United States, Europe, Japan and China – giving it legal monopolies and potential financial returns from manufacture and distribution in about 80% of the world's pharmaceutical markets.

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