



7 June 2002

Cerylid Biosciences and Anadys Pharmaceuticals Announce Anti-Infective Drug Discovery Partnership

San Diego, CA, June 06, 2002 -Cerylid Biosciences Limited (Cerylid) and Anadys Pharmaceuticals, Inc. (Anadys) announced today a strategic partnership for the discovery of novel anti-infective compounds. This partnership will utilize Anadys' uHTS-ATLAS™ technology to screen Cerylid's world leading collection of natural products against key Anadys targets.

Under the terms of the collaboration, Anadys will gain access to Cerylid's extensive library of unique natural products samples derived predominantly from organisms of Australian origin. Anadys will screen the samples against important undisclosed anti-infective targets using its uHTS-ATLAS™ ultra high-throughput screening methodologies. Cerylid will then use its expertise in natural products chemistry to identify biologically active small molecules in extracts that show positive results in the screens. Anadys will have responsibility for advancing compounds through lead optimization, as well as preclinical and clinical development.

"We are very pleased to gain access to Cerylid's industry-leading capabilities in natural products drug discovery," said Dr. Kleanthis G. Xanthopoulos, Ph.D., President and CEO of Anadys. "We believe that Cerylid has developed the world's largest and most chemically diverse natural products library, as well as unique techniques for the identification of novel compounds. We expect this to be an effective complement to the powerful screening techniques we have developed at Anadys and will facilitate our efforts to discover new and powerful drugs."

"This drug discovery collaboration with Anadys is an ideal marriage of technologies. By combining our library of natural product samples with Anadys' unique and powerful screening methodologies, there are great prospects for the discovery of novel anti-infectives. We are delighted to join with Anadys in this new partnership," said Dr. Jackie Fairley, CEO of Cerylid.

Financial details were not disclosed.

About Anadys Pharmaceuticals

Anadys Pharmaceuticals, Inc. ("Anadys") is a new generation drug discovery company committed to applying an integrated approach that combines biology and chemistry to develop new small molecule therapeutics. The Company is committed to developing novel powerful antibiotics and medicines to treat viral infections. To that end, Anadys has assembled and integrated a proprietary suite of technologies to identify novel targets (using GATE™ and Riboproteomics™), screen them for small molecule effectors (uHTS-ATLAS™ and SCAN™), and develop clinical candidates using its considerable capabilities in high-output medicinal chemistry. Anadys has a specific capability to exploit RNA-related targets and novel chemistries to find new medicines using its leadership position in Riboproteomics™. RNA-related targets have been validated with the approval of drugs such as neomycin, Zyvox®, and Zithromax®. Anadys intends to harness this integrated suite of technologies to propel a strong and continual pipeline of drug candidates into the clinic.