

9 October 2006

The Companies Section
The Australian Stock Exchange Limited
Level 45, South Tower
Rialto
525 Collins Street
MELBOURNE VIC 3000

Dear Sir/Madam

CHAIRMAN'S ADDRESS AND MANAGING DIRECTOR'S PRESENTATION

Please find enclosed the Chairman's address to shareholders and the presentation to be made by the Managing Director at Antisense Therapeutics Limited's Annual General Meeting on 10th October 2006.

Yours sincerely



Kathryn Andrews
Company Secretary

Antisense Therapeutics Limited
Annual General Meeting
10 October 2006
Chairman's Address to Shareholders

Ladies and Gentlemen. Welcome to this 5th Annual General Meeting of the Company.

As with most biotechnology companies, this past year has been quite challenging. That said, I am pleased with the focus, dedication and effort our management team has displayed during this difficult time.

Shareholders may recall that in March 2005, the Antisense Therapeutics Board elected to make the conservative decision to halt the Phase IIa clinical trial of our multiple sclerosis product (ATL 1102) in light of the safety issues associated with the major competitor product, Tysabri[®]. Tysabri[®] was withdrawn from the market for a period of time to allow thorough assessment of these issues. Following the FDA's approval of that product's return to the market, and a rigorous review of our multiple sclerosis product by highly qualified independent experts, we were able to announce the re-initiation of the Phase IIa clinical trial of our MS product earlier in the year.

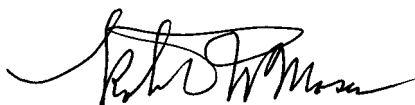
Restarting this clinical trial is a major value-adding event for the Company, and as Chairman, I wish to convey to all shareholders my complete confidence in the management team to take this important trial through to completion. The return of Tysabri[®] to the market in Europe has impacted the pace of patient recruitment, particularly in Germany, however the management team has acted quickly to establish additional trial sites to improve the intake of patients. Assuming all requisite regulatory approvals are received for these new sites, the Company expects to complete the trial mid-year and be in a position to report results in the third quarter of 2007.

The approval of Tysabri[®] for marketing in both the US and the European Union, gives us confidence that following similar regulatory approvals, our MS product has the potential to be a major commercial success. We expect our drug to have both clinical and cost advantages over Tysabri[®].

ATL1102 for multiple sclerosis is certainly the Company's most advanced product, although the Company is fortunate to also have other product candidates in its product development pipeline. Several of these are in a position to be progressed into clinical development, however funding of them will remain subordinate to our MS product. The decision to move these projects forward will depend upon availability of funds and interest from potential partners and collaborators.

The Company's has sufficient cash reserves to cover all planned activities for the next 12 months, including in particular the completion of the ATL1102 Phase IIa Clinical Trial. The Board and Management Team are cognizant of the inherent challenges facing small companies such as Antisense Therapeutics. Accordingly, we continuously assess potential opportunities to grow the Company including possible relationships with third parties as well as through pursuit of opportunities within the Company.

At the conclusion of the formalities of the meeting, I will call on our Chief Executive Officer, Mark Diamond to provide you with a summary of all of the Company's activities and some insights into plans going forward. Thanks to each of our loyal shareholders – we will continue to work very hard in the coming year to reward your loyalty.



Robert W. Moses
Chairman



October 2006

Forward Looking Statements

This presentation contains forward-looking statements regarding the company's business and the therapeutic and commercial potential of its technologies and products in development. Any statement describing the company's goals, expectations, intentions or beliefs is a forward-looking statement and should be considered an at-risk statement. Such statements are subject to certain risks and uncertainties, particularly those risks or uncertainties inherent in the process of developing technology and in the process of discovering, developing and commercialising drugs that can be proven to be safe and effective for use as human therapeutics, and in the endeavour of building a business around such products and services. Actual results could differ materially from those discussed in this presentation. Factors that could cause or contribute to such differences include, but are not limited to, those discussed in the Antisense Therapeutics Limited Annual Report for the year ended 30 June 2006, copies of which are available from the company or at www.antisense.com.au.

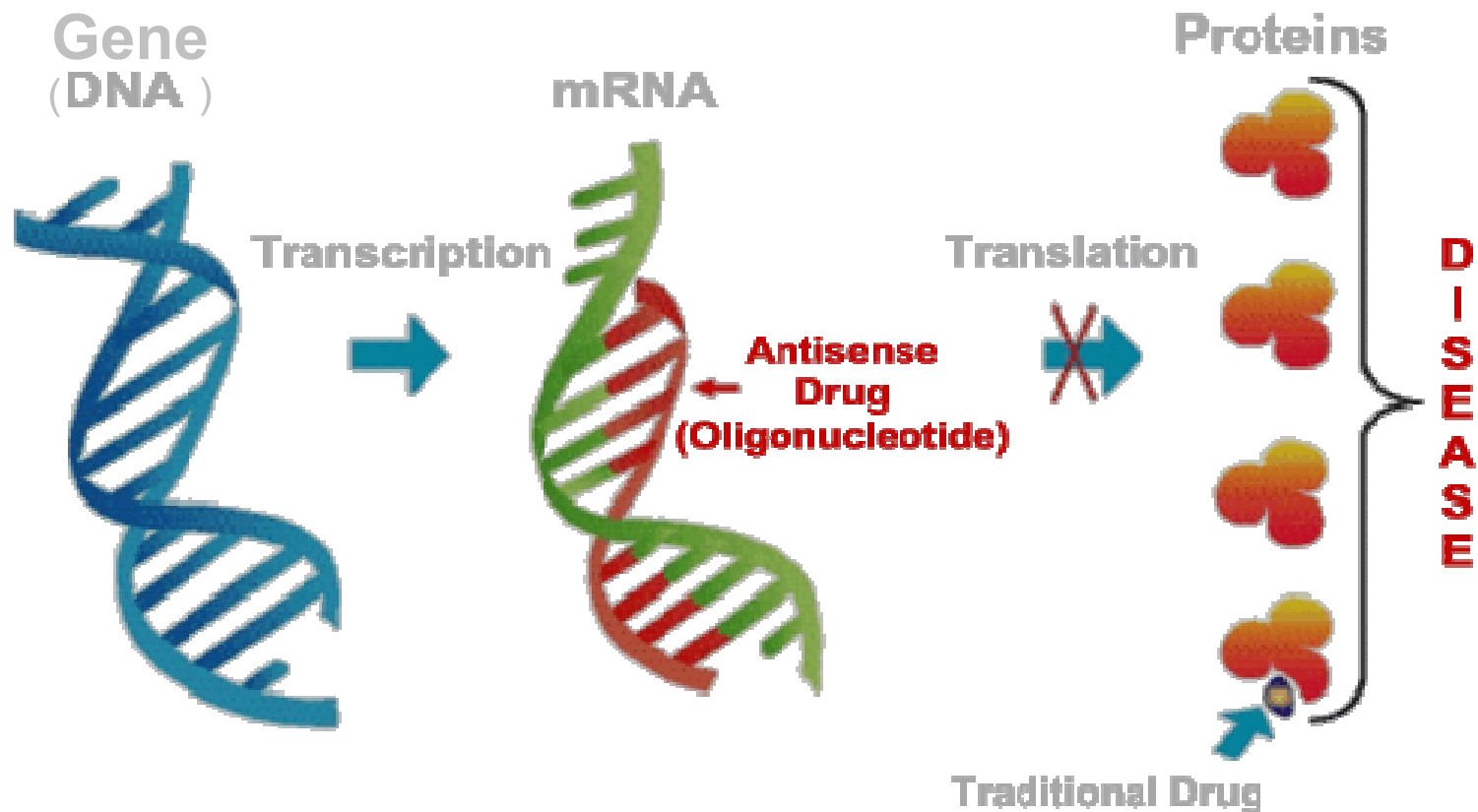
ANP: Investment Fundamentals

- Lead compound ATL1102 in Phase IIa MS trial
 - MS market >US\$4B; need for improved therapies
- Antisense science clinically validated
 - > 15 antisense drugs in Phase II/III clinical trials globally
- ATL1102 target (VLA-4) clinically validated
 - Tysabri® same biological target; US\$1B forecast market potential; superior efficacy to existing MS treatments
- ANP corporate strategy to license after Phase IIa trial
- Benchmark licensing transactions favourable
 - Teva licensed laquinimod after Phase II trial results
 - » US\$5M upfront; US\$92M milestones; double digit royalties
- ANP Value opportunity
 - Market capitalisation \$11M; Cash A\$7.6M, no debt

Business Strategy

- Leverage 15 years of Isis antisense technology development
 - *Mature and well characterised platform technology*
 - *Isis; one antisense drug on market; 15 in development*
 - *ANP's exclusive licenses cover range of potential targets/applications*
- Utilise technology know-how to fast track project development
 - *Lead compound in Phase IIa clinical trials*
- Business Model - derive early revenues from out-licensing
 - *Anticipate out-licensing lead compound after Phase IIa trial (2007)*

How antisense technology works...



....Blocks disease-causing proteins from being produced

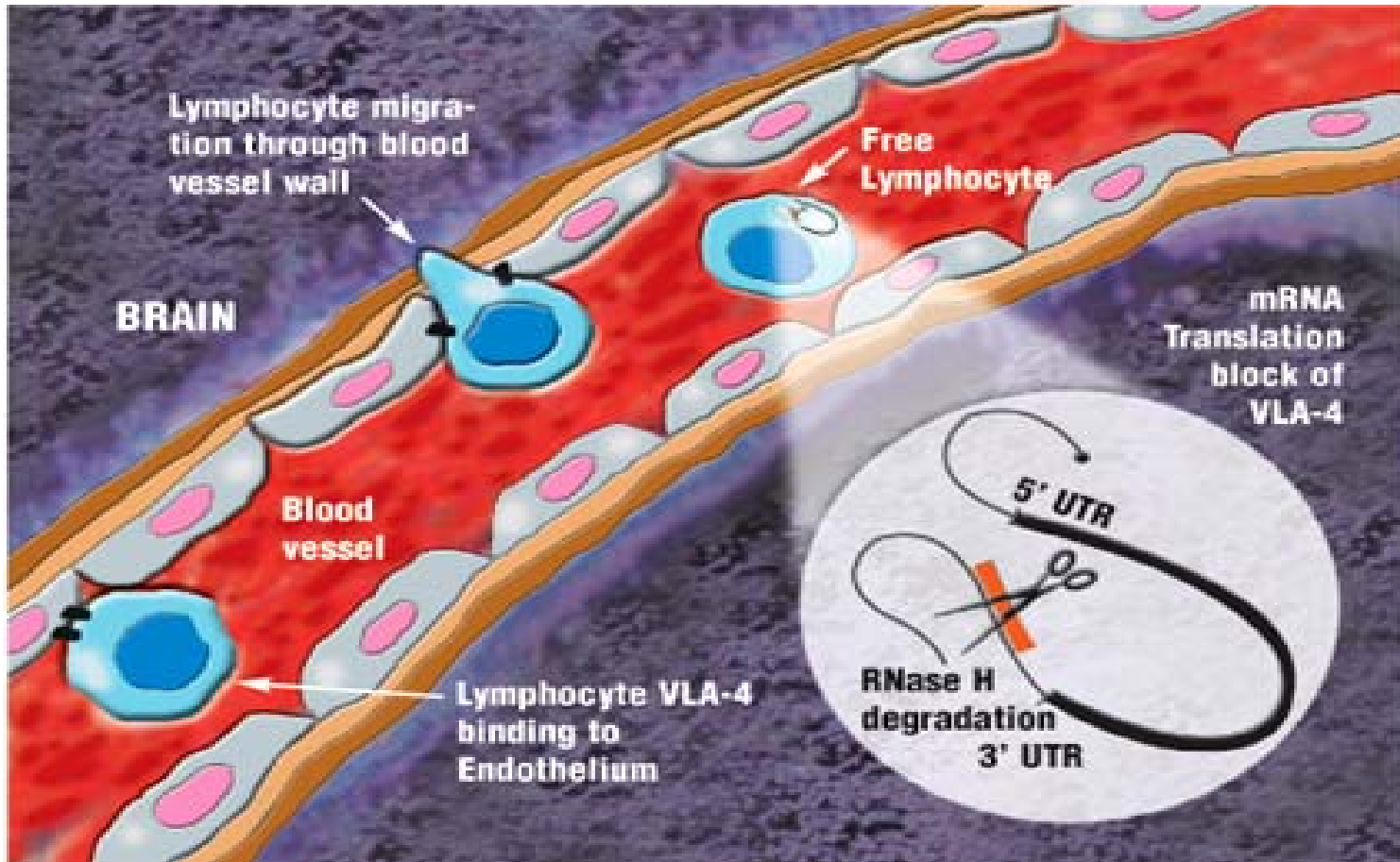
Lead product: ATL1102 for Multiple Sclerosis

Disease & Market

- Life-long chronic disease of the central nervous system
 - *No cure: goal is to reduce the severity and frequency of relapses and to stop disease progression*
- Global drug sales of > US\$4bn in 2005
- Beta-interferon first line therapy
 - *Dose limiting side effects (flu-like symptoms)*
 - *Not effective in all patients*
 - *Longer term efficacy benefits uncertain*
 - *Neutralising antibodies formed which reduce clinical effectiveness*
- Need for more effective drug with less side effects

ATL1102 for Multiple Sclerosis

Antisense inhibitor of VLA-4 protein



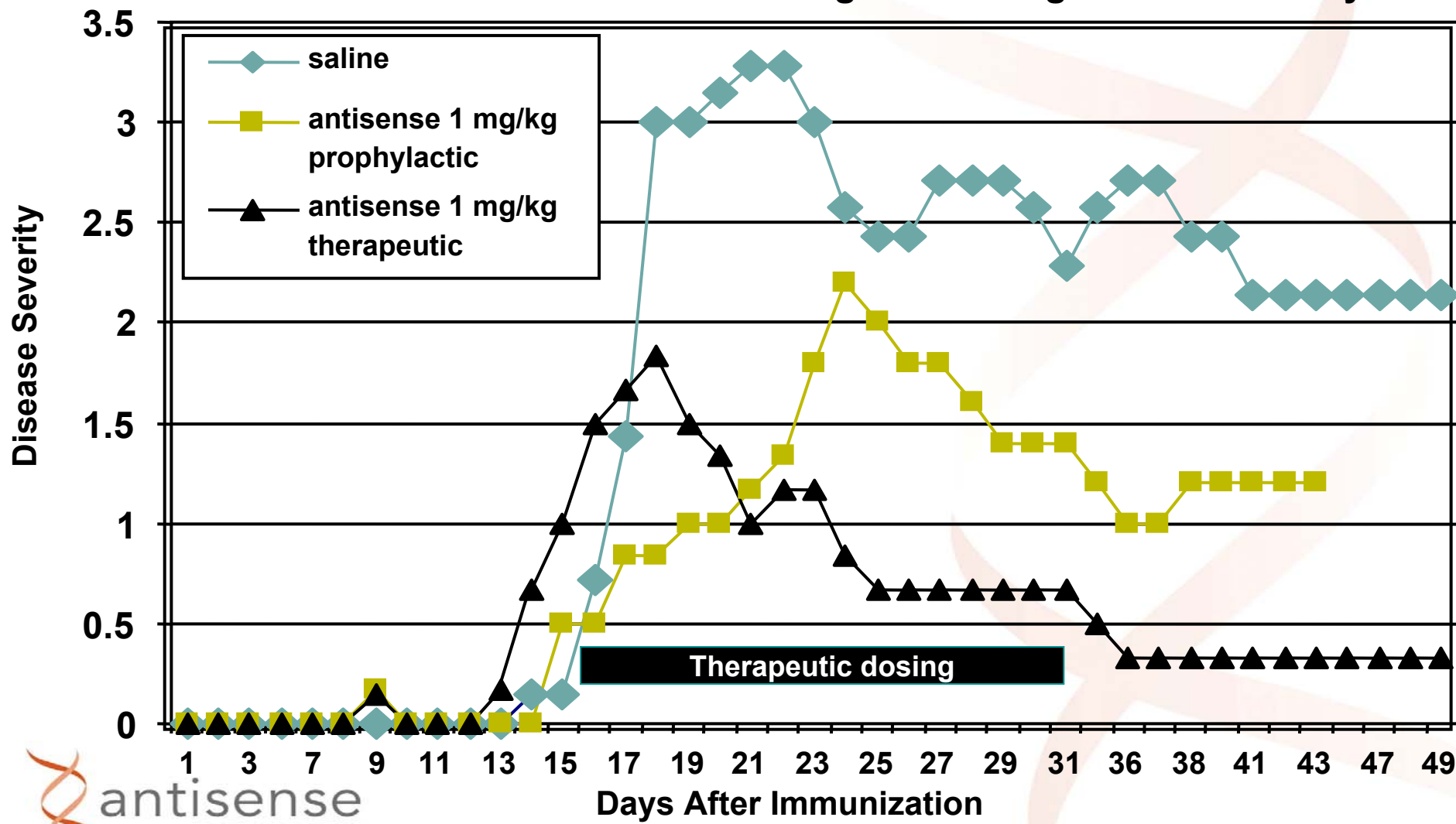
ATL1102 for Multiple Sclerosis

Product

- Antisense inhibitor of VLA-4 protein
- VLA-4 is a clinically validated target in MS (Tysabri®)
- Antisense inhibition of VLA-4 has demonstrated positive effects in work undertaken to date
 - *Compelling animal data in MS animal studies*
 - *Data published in peer reviewed scientific journal*
 - *Phase I study confirmed ATL1102 to be safe and well tolerated*
- Patents granted in US, Australia and Japan; pending in Europe and Canada

VLA-4 Antisense Activity in MS Mouse Model

Data shows effect of antisense drug in reducing disease severity



ATL1102 for Multiple Sclerosis

Phase IIa MS trial

- To assess safety & efficacy in 80 patients with relapsing-remitting MS
- Multi-centre, randomised, double-blinded, placebo-controlled clinical trial in Europe
- Dosing: subcutaneous injection, twice per week over 8 weeks
- MRI indices measured at monthly intervals for 16 weeks
- Dosing and monitoring expected to be completed by 2Q'07; results reported in 3Q'07

ATL1102 for Multiple Sclerosis

Phase IIa MS trial

- Primary objective “to obtain preliminary evidence of ATL1102 effectiveness as assessed by MRI”
- MRI (magnetic resonance imaging); diagnostic technique used to monitor MS lesions in the brain
- Reduction in number of new active lesions is marker of drug’s effectiveness
 - *Key indicator of drug activity in short term MS trials*
- Phase IIa study will determine the effect of ATL1102 on the appearance of new active lesions vs placebo

ATL1102 for Multiple Sclerosis

Features of ATL1102 – Competitive advantages

- Self administration = more convenient
 - *Subcutaneous injection allows potential self administration by patients unlike Tysabri[®]*
- Chemically synthesized = cheaper to make
 - *Anticipate lower manufacturing costs than biologically derived drugs (e.g beta interferon and Tysabri[®])*
- Not immunogenic = no neutralising antibodies
 - *Neutralising antibodies formed against beta interferon and Tysabri[®] which reduces their effectiveness*
- ATL1102 employs unique (antisense) mechanism

ATL1102 for Multiple Sclerosis

MS Licensing transactions

- Active Biotech/Teva Pharmaceuticals (June'04)
 - Teva inlicensed laquinimod from Active Biotech
 - Transaction completed after successful 6 month Phase II MS trial
 - Teva to fund further development of the drug
 - Active Biotech to receive;
 - » *US\$5M upfront*
 - » *Milestone payments totalling US\$92M*
 - » *Tiered, double digit royalty on sales*
- Biogen/Idexx/Fumapharm AG (May'06)
 - Biogen Idec acquired Fumapharm for undisclosed fee to access Fumapharm's drug BG-12 after successful 6 month Phase II MS trial

Pipeline: ATL1103 for growth & sight disorders

Product

- Antisense inhibitor to the Growth Hormone receptor (GHR)
- GH action is mediated through IGF-I hormone
 - *Acromegalics have elevated levels of both GH and IGF-I*
 - *↓ IGF-I is associated with clinical improvement in retinopathy*
- Activity of GHR antisense confirmed in animal models
 - *Successfully suppressed circulating IGF-I levels in primates*
 - *Significantly reduced retinal neo-vascularisation (new blood vessels) in mouse animal model of retinopathy*
 - *Data on suppression of circulating IGF-1 levels in mice published in peer reviewed scientific journal*
- Either develop further or partner/license ongoing development

Pipeline: Inhaled ATL1102 for asthma

Product

- Inhaled VLA-4 antisense
 - Positive effects demonstrated in acute asthma model (mouse)
 - Drug active at low inhaled doses
 - Key asthma indicators suppressed
 - » *airway hyperresponsiveness*
 - » *lung eosinophilia*
 - » *airway mucous accumulation*
 - Data presented at American Thoracic Society meeting (2005)
- Existing pre-clinical and clinical data on ATL1102 in MS would support clinical development of inhaled ATL1102 in asthma
- Either develop further or partner/license ongoing development

Antisense Therapeutics Limited

Key Shareholders

- Circadian 22.1%
- Syngene * 11.7%
- Isis 8.7%
- ANZ Nominees 3.4%
- QIC 2.1%

* 42% owned by Circadian

Looking forward (2006/07)

- **ATL1102 for MS**
 - *Progress of Phase IIa trial (updates throughout 2006/7)*
 - *Report results of trial (Forecast 3Q'07)*
 - *Expect to out-license on successful trial outcomes*
- **Other activities in 2006/7**
 - *Pipeline: either move into development or look to out-license*