

CODE OF PRACTICE - BUYING & SELLING OF SHARES

BY DIRECTORS AND RELEVANT EMPLOYEES

1. Short Term Dealings

A director should not deal in securities of Antisense Therapeutics Limited ("ATL" or "company") on consideration of a short term nature (i.e. buying and selling shares for short term trading gain).

2. Clearance to deal

A director should not deal in securities of ATL without receiving clearance from a Committee comprised of the Managing Director and Mr Robert Moses (or in the absence of either of these two directors by any other director) who have ensured that there is no unpublished price sensitive information.

3. 'Unpublished price-sensitive information' means information which:

- (a) relates to ATL securities;
- (b) is specific or precise;
- (c) has not been made public; and
- (d) if it were made public would be likely to have a significant effect on the price or value of ATL securities.

4. Circumstances for refusal

Subject to paragraph 7, a director must not be given clearance (as required by paragraph 2 of this Policy) to deal in any securities of ATL during a prohibited period. A 'prohibited period' means:

- (a) any close period;
- (b) any period when there exists any matter which constitutes unpublished price sensitive information in relation to ATL's securities; or
- (c) any period when the person responsible for the clearance otherwise has reason to believe that the proposed dealing is in breach of this Policy.

5. Close periods

For the purpose of this policy, and in particular paragraph 5(a), a 'close period' is:

- (a) the period of one month immediately preceding the preliminary announcement of ATL's annual results or, if shorter, the period from the end of the relevant financial year to and including the time of the announcement of the company's results; and
- (b) if ATL reports on a half-yearly basis, the period of one month immediately preceding the announcement of the half-yearly results, or if shorter, the period from the end of the relevant financial period to and including the time of the announcement.

6. Clearance records

A written record should be maintained by ATL of the receipt of any advice received from a director pursuant to paragraph 2 of this Policy and of any clearance given. If requested by the director concerned, written confirmation from ATL that such advice and clearance (if any) have been recorded should be given to the director concerned.

7. Dealings in close periods

A clearance may be given for a director to sell (but not to purchase) securities when he/she would otherwise be prohibited from doing so only because the proposed sale would fall within a close period. Clearance will be given by the Committee comprising the Managing Director and Mr. Robert Moses (or in the absence of either of these two directors by any other director), provided that there is no unpublished price sensitive information as described in point 3 above. As ATL does not pay dividends at this stage and the losses of the company are not such that if it were made public, would be likely to have a significant effect on the price or the value of the company's securities, it is reasonable that clearance should be given for a sale within the close period.

8. Exercise of employee rights or options

The Managing Director or Mr Robert Moses (or in the absence of either of these two directors by any other director) may allow the exercise of an option or right under any employees' share scheme, or the conversion of a convertible security, where the final date for the exercise of such option or right, or conversion of such security, falls during any prohibited period and the director could not reasonably have been expected to exercise it at an earlier time when he/she was free to deal.

9. Exempt dealings

The following dealings are not subject to the provisions of this Policy:

- (a) undertakings or elections to take up entitlements under a rights issue or other offer (including an offer of securities in lieu of a cash dividend);

- (b) the take up of entitlements under a rights issue or other offer (including an offer of securities in lieu of a cash dividend);
- (c) allowing entitlements to lapse under a rights issue or other offer (including an offer of shares in lieu of a cash dividend);
- (d) the sale of sufficient entitlements nil-paid to allow take up of the balance of the entitlements under a rights issue;
- (e) undertakings to accept, or the acceptance of, a takeover offer;
- (f) a dealing by a director with a related/associated person whose interest in the securities is to be treated by virtue of the *Corporations Act* as the directors' interest.

10. Relevant employees

Relevant employees must comply with the terms of this Policy as though they were directors. Any employees who are considering the purchase or sale of ATL securities should advise the Managing Director or Mr Robert Moses (or in the absence of either of these two directors by any other director) of their intention if they are in any way uncertain as to whether the timing of their intention to purchase or sell securities is appropriate.

11. ASX notification of director transactions

The *Corporations Act* and the ASX Listing Rules require director dealings in ATL securities ("director transactions") to be disclosed to the ASX. In order to comply with the ASX Listing Rules, the letters of arrangement entered into between each director and the company oblige each director to inform ATL (the Company Secretary) in writing of all director transactions as soon as reasonably possible after the date of the transaction and in any event no later than 3 business days after the transaction.