

EXTERNAL COMMUNICATIONS POLICY

On 31 March 2003 the ASX Corporate Governance Council issued 'Principles of good corporate governance and best practice recommendations'. Under ASX Listing Rule 4.10 Alchemia will be required to highlight in its annual report any areas of departure from the best practice recommendations and include reasons for the departure.

Principle 5 of these guidelines deals with "Make timely and balanced disclosure", with the aim of promoting timely and balanced disclosure of all material matters concerning the company.

The policy and procedures set out below are designed to ensure Alchemia complies at all times with the continuous disclosure obligations imposed by law and to meet best practice guidelines. The policy is intended to cover all external dissemination of information whether to investors, analysts, media or other third party.

1. INFORMATION THAT NEEDS TO BE DISCLOSED

Listing Rule 3.1 states that once the company becomes aware of any information concerning it that a reasonable person would expect to have a material effect on the price or value of the Company's securities it must immediately tell the ASX that information. This price sensitive information must be disclosed to the ASX prior to disclosure to analysts, the media or others outside the company. Following confirmation of receipt of lodgement all information released to the ASX will be posted on the Investor section of the Alchemia website.

The continuous disclosure provisions are complex and there are carve outs in certain circumstances. The Company Secretary must be informed of any information once you become aware of it, which potentially could have a material effect on the share price or value of the Company's securities.

Information which may be considered to be material includes:

- Significant changes in financial performance or expected financial performance
- Entry into or a termination of a major contract(such as a joint venture)
- Results of laboratory or third party test work on Alchemia compounds
- A material acquisition or sale of assets by Alchemia
- An actual or proposed takeover or merger
- An actual or proposed change to Alchemia's capital structure
- The granting of or challenge to a patent
- A material claim against Alchemia or other unexpected liability

2. APPROVAL PROCESS FOR MEDIA AND ASX RELEASES

- All media releases are to be approved by the Chief Executive Officer and the Chairman.
- ASX releases in relation to half yearly and full year results require Audit Committee and Board approval prior to release
- Urgent continuous disclosure ASX releases are to be approved by the Chairman and the Chief Executive Officer and where available all directors should be advised prior to release
- All other ASX releases , with the exception of administrative releases such as disclosure of directors interests , substantial holder notices and similar releases, require prior approval of the Board

3. **AUTHORISED SPOKESPERSONS**

The only Alchemia employees authorised to make any public statement on behalf of the company are the Chairman, Chief Executive Officer, the Chief Financial Officer or those with the prior approval of the Chief Executive Officer.

4. **COMMUNICATIONS WITH ASX**

The Company Secretary is responsible for all communications with the ASX.

5. **TRADING HALTS**

In order to facilitate an orderly, fair and informed market it may be necessary to request a trading halt from the ASX. All decisions relating to a trading halt will be made by the Chief Executive Officer in conjunction with the Chairman and other Directors where they are available.

6. **RELEASING COMPANY INFORMATION**

- No undisclosed price sensitive information should be disclosed in any meeting with an investor, analyst, journalist or at any investor/ industry conference. Questions at briefings that deal with material information not previously disclosed will not be answered.
- Meetings with analysts, investor and journalists are an important part of proactive investors relations. These meetings should provide background to previously disclosed information as well as articulate:
 - Long term strategy
 - Company history, vision and goals
 - Management philosophy and the strength and depth of management
 - Competitive advantage and risks
 - Industry trends and issues
 - Non material information, and
 - Assumptions underlying earnings forecasts
- Earnings forecasts should only be discussed if previously issued by the company by way of announcement. Where requested to do so, Alchemia may review analysts' research reports but will confine its comments to factual matters and material previously disclosed.

Alchemia may comment of earnings estimates to the extent of correcting errors in factual information and underlying assumptions. If the company becomes aware that in general the market's earnings projections materially differ from our own estimates, the company may consider it appropriate to issue a profit warnings/statement.
- The Company Secretary should be involved in all discussions and meetings with analysts and investors, if possible or be fully briefed about those meetings. A record should be kept of all meetings and briefings with investors/analysts.
- All inadvertent disclosure of material information during these discussions or meetings should be immediately released to the ASX, and then posted on the company's website.
- Slides and presentations used in briefings are to be released to the ASX and posted on the company website once confirmation of receipt has been received.
- All proposed media releases and external presentations must be reviewed by the Company Secretary in advance in order to minimise the risk of breaching the continuous disclosure requirements.

7. **RUMOURS AND MARKET SPECULATION**

Subject to the continuous disclosure obligations, Alchemia will not comment on rumours or market speculation.

8. **CONSULTANTS AND PROFESSIONAL ADVISERS**

All consultants or professional advisers engaged by Alchemia are to be informed of and required to comply with this policy.

9. **THIRD PARTY AGREEMENTS**

Material contracts entered into between Alchemia and third parties must contain provisions that:

- Enable Alchemia, where necessary, to make the appropriate ASX disclosure under the continuous disclosure obligations of the principal terms and conditions of any material contracts.
- Ensure that the third party cannot make public disclosure of the contract without the prior written approval of Alchemia

Approved by the Board of Alchemia Limited on 18 February 2004