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PepTcell and Gador Announce Collaboration to Develop Novel Vaccine for “Neglected” Chagas disease

High Wycombe, UK and Buenos Aires, Argentina - 17th December 2007 PepTcell Ltd. and Gador S.A. today announced an R&D collaboration to develop a novel T-cell vaccine for Chagas disease, a neglected tropical disease with no adequate treatment or vaccination.

PepTcell will develop the T-cell vaccine, using its proprietary technology and expertise to identify parasitic proteins capable of inducing a T-cell immune response. T-cells play a key role in recognising and eliminating the parasite from infected human cells.

Once the vaccine is ready to enter Phase III, Gador will assume responsibility for its development, commercialisation in Argentina and manufacturing. PepTcell will receive undisclosed royalties based on net sales.

Stuart Robinson, Head of Business Development of PepTcell commented, “With our expertise in T-cell vaccine development, coupled with Gador’s resources and experience of the Latin American market, we believe this T-cell vaccine development programme could revolutionise the management of Chagas disease. Currently, there are only two pharmaceutical treatments available for Chagas disease, both with serious side effects, and we are very excited by the prospect of developing an effective vaccine.”

Alberto Alvarez Saavedra, Vice president of Gador said: “As one of the leading pharmaceutical companies in Argentina devoted to people’s health, we are committed to find solutions to Chagas disease. The disease continues to have a detrimental effect on millions of people in Latin America, nearly a hundred years after the condition was first discovered. Using PepTcell’s novel approach we hope to develop an effective vaccine for Chagas disease.”

Chagas Disease is a major public health issue, affecting approximately 18 million people in Latin America and hindering socioeconomic development in the region where 120 million are at risk of contracting the infection. Chagas is one of the leading causes of heart failure in Latin America. Recognised as a neglected disease, the World Health Organisation (WHO) recently set up a global initiative to increase awareness and eradicate the disease by 2010. The need for an effective vaccine has never been greater with increasing evidence of emerging drug resistance, new vectors and spread to non-endemic areas such as USA, Canada and Europe.

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NOTES FOR EDITORS

About PepTcell Ltd

PepTcell is a biotechnology company focused on applying its breakthrough technology to the development of a new class of vaccines – T-cell vaccines – against highly mutagenic viruses. The

Company began operating in 2004; however the founding shareholders and key employees have been working on this novel concept for over 20 years.

Since its inception, the Company has completed the majority of its pre-clinical work for its influenza and HIV vaccines. PepTcell's lead product Flu-v, a single treatment flu vaccine is about to enter clinical trials in the UK. The vaccine, developed to be effective against all strains of flu virus (technical animation available) could eliminate the need for annual flu vaccinations.

PepTCell, a private Company, headquartered in High Wycombe, UK is in the process of finalising all the manufacturing processes for its Flu-v vaccine, and successfully raised capital from a range of investors.

For further information please visit the website at www.peptcell.com

About Gador S.A.

Gador is an argentine private pharmaceutical company incorporated in 1940. The company has a turnover in Argentina of over USD100 million, and sells finished products (from its own plants approved by MERCOSUR authorities) and active principles (from its own plants approved by FDA and EMEA authorities) in the five continents in more than 30 countries. For over fifty years, Gador has represented licences from Astellas (former Fujisawa), Gilead, Recordati and Eli Lilly among others. Gador is also involved in pharmaceutical distribution (under a partnership in Farmanet S.A. with Novartis, Boehringer Ingelheim, and other argentine companies).

In the area of R&D, with a long-standing relationship and scientific collaboration with the University of Leiden (Holland) and Argentine universities, a new molecule is under development for bone diseases, INN: Olpadronate. The clinical assays carried out in Holland as well as in Argentina have proved to have a high effectiveness and tolerance in the treatment of Paget bone disease as well in other orphan diseases. Gador is one of only five companies worldwide doing R&D in the bisphosphonates area, holding a strong portfolio of patents and IP rights.

More than 20 years ago, Gador started research in Chagas disease. As a result of these efforts, Gador developed and produced the first commercial biotech diagnostic kit worldwide for the detection of Chagas disease, containing a mix of recombinant antigens of *Trypanosoma cruzi*.

For further information please visit the website at www.gador.com

About Chagas Disease

Chagas disease, also known as American trypanosomiasis, is a tropical disease affecting approximately 18 million people in Latin America where 120 million are at risk of contracting the infection.

In most cases, humans are infected by strain *Trypanosoma cruzi* II, which is mainly transmitted by Triatominae insects (a.k.a "vinchuca", "kissing bugs", or "assassin bugs"), blood transfusions and organ transplantations. Therefore, it tends to mainly affect impoverished and rural communities in the tropics - the breeding ground for the triatomine insects.

Symptoms seen after infection are mild and may include fever, swelling at the site of the insect bite and of the lymph glands, and enlargement of the liver and spleen. This is often followed by a 'latent' period of up to 20 years, where heart and gastrointestinal tissues are progressively damaged without any symptoms. The burden of chronic Chagas disease is highlighted by the fact that Chagas Disease is one of the leading cause of heart failure in Latin America.

Current pharmacological treatments leave much to be desired, with limited efficacy, serious side effects and a hefty price tag. Latin American countries have made significant strides in controlling

mortality rates through insect control initiatives, but these are usually expensive and temporary effective.

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