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Companies Announcement Centre
ASX Limited
Exchange Centre
20 Bridge Street
Sydney NSW 2000

ASX ANNOUNCEMENT / MEDIA RELEASE

ANTEO DIAGNOSTICS LIMITED ANNOUNCES AGREED TERMS WITH MERCK

Key Points:

- **Anteo Diagnostics Limited (ASX: "ADO") ("ANTEO" or "THE COMPANY") has agreed on the terms of a four year supply agreement with Merck Chimie SAS to manufacture two new bead-based products ("New Products") for them to package and sell.**
- **New Product launch is anticipated within the next two months.**
- **Further validates Mix&Go™ technology.**
- **The immediate financial returns are not expected to be material, but recurring revenues are expected over the medium to long term.**

Background:

The Board of Anteo is pleased to announce that it has agreed on the terms of a "Non-Exclusive Supply Agreement" with Merck Chimie SAS ("**Merck**"), part of the AUD\$11.2 billion Merck Group which has operations in 64 countries. The formal agreement expected to be signed this week.

This signifies another step toward the successful commercialisation of Mix&Go™ technology by the Company.

Merck instigated an extensive review and testing, by external reference laboratories, of the Mix&Go™ technology and now wish to formalise a commercial relationship.

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anteo diagnostics
limited

Under the terms Anteo will be required to manufacture and deliver the New Products to Merck. Launch of the New Products is expected in July/August 2010. Merck will be responsible for the sales and distribution of the New Products which will be launched in the Bio-Estapor product line. Initial sales within the first 6 months are expected to be minimal as Merck focuses on assessing the market for the New Products within their existing customer base and distribution network.

Similarly to the Licensing Agreement entered into with Bangs, these minimal initial revenue streams are consistent with a typical sales cycle associated with selling new technologies such as Mix&Go™ into these markets.

The agreed terms do not require Merck to provide forecast product requirements until 2012 after which 12 month rolling forecasts are to be provided.

Anteo has appropriate systems in place to meet Merck's expected production requirements.

Anteo CEO, Dr Geoff Cumming, said: *"This is further validation by another industry leader of the benefits of our Mix&Go™ technology. It is extremely encouraging that such a prestigious company has, after extensive testing, chosen to use our technology. The Company hopes that this will lead to recurring revenues in the medium term, once Merck has established a market for the New Products."*

As previously announced, Anteo continues to be in discussions, and is working collaboratively, with several other interested companies and major industry participants. Major companies do not enter into Materials Transfer Agreements ("MTAs") lightly due to the strict obligations imposed on the signatories. Anteo currently has ten (10) MTAs on foot and is optimistic that a portion of these will result in additional agreements. The Company is actively working towards the commercialisation of its Mix&Go™ technology in the global pathology and clinical research markets. As efforts in these areas meet the Company's objectives, the Company will devote increasing attention to alternative markets for the Mix&Go™ technology, including Point of Care applications, biological separations and a range of non-biological markets.

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About Anteo Diagnostics Limited – www.anteodx.com

Anteo has developed a novel approach to binding antibodies to surfaces that they have coated with Mix&Go™. The method is fast, stable and reproducible. In the first instance the company is demonstrating the benefits of their approach to companies operating in the clinical diagnostic and research fields. In these *in vitro diagnostic* (“IVD”) markets the benefits range from lower Limits of Detection (leading to earlier disease diagnosis) to more effective antibody binding (resulting in lower production costs). An extension of the IVD market is the Point of Care (“POC”) market in which there are similar technical requirements.

Anteo’s core technology has a broad array of capabilities outside the current IVD and POC markets. Examples of other applications include bioseparations, drug delivery and tissue engineering. There are also many non-biological applications such as in identification systems that are open to exploitation.

About Merck Chimie SAS – Estapor Microspheres

With 35 years experience, Merck Estapor® Microspheres is a leading brand of polymeric supports for *in vitro* diagnostics, life sciences, biotechnology, cosmetics, electronics and environment applications. Merck Estapor is headquartered in Val de Fontenay, 5 miles east of Paris with a state of the art manufacturing facility located in Pithivier about 40 miles south of Paris.

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