



## **MEDIA RELEASE/ASX RELEASE**

### **US BIOTECH, VIROXIS, SECURES SANDALWOOD SUPPLY AGREEMENT WITH TFS CORPORATION**

**SAN ANTONIO, Texas and Perth, Western Australia, 28<sup>th</sup> October 2009:** ViroXis Corporation today announced a multi-million dollar agreement with TFS Corporation (ASX: TFC) to supply up to three tonnes of East India Sandalwood Oil per annum for the development of its botanical drug, albuterpenoids.

The long-term supply agreement is conditional upon ViroXis gaining regulatory approval for commercialisation of albuterpenoids. The company has successfully completed a phase II investigator sponsored clinical trial, and expects to enter phase III FDA trials in 2010.

Chief Executive Officer of ViroXis, Dr. Paul Castella said: "Securing a long term supply agreement is a critical step for ViroXis as the drug is derived from therapeutic grade sandalwood oil."

"TFS is an important supply partner as it produces the world's only sustainable supply of Sandalwood oil from its 2,500 hectares of plantations in the Kimberley region of Western Australia."

TFS Executive Chairman, Mr Frank Wilson said: "The ViroXis agreement marks the company's first commercial scale contract within the pharmaceutical industry."

"While the market for Indian Sandalwood oil is well established in the high-end cosmetics and fragrance houses, it has only scratched the surface of the pharmaceutical market at a time when global demand is outstripping supply," Mr Wilson said.

"Passing Indian Sandalwood oil through an FDA approval process is significant for TFS, and if successful, will put us on the pharmaceutical map and potentially open other opportunities in the global pharmaceutical industry."

Recognising the importance of long term, sustainable and controlled supply of therapeutic grade oil, the supply agreement was executed at a significant premium to current legal spot prices. Several years after production commences in 2012, the ViroXis supply agreement has the capacity to account for up to 15 per cent of the company's early annual production volume of 20 tonnes.

ViroXis' COO Ian Clements said the drug, albuterpenoids, was being developed for use as a topical treatment for viral skin infections in both children and adults.

"As a botanical product, East India Sandalwood oil has an extensive history of human use and a favorable safety profile," Mr Clements said.

#### **For further information, please contact:**

Mr Frank Wilson  
Executive Chairman  
TFS Corporation  
+ 618 9386 3299  
[tfs@tfsLtd.com.au](mailto:tfs@tfsLtd.com.au)

Mr Ian Clements  
Chief Operating Officer  
ViroXis  
[ian@viroxis.com](mailto:ian@viroxis.com)

## ABOUT VIROXIS

ViroXis is a development stage botanical based pharmaceutical company focused on advancing and commercialising innovative medical products. ViroXis is currently developing the albuterpenoids, a novel, patented, defined mixture of compounds derived from East India sandalwood oil. Sandalwood oil has a long history of traditional use for a variety of conditions, including Human Papilloma Virus skin infections and pre-cancerous skin lesions.

ViroXis's lead product candidate is a patient-applied topical cream containing the albuterpenoids, compounds the use of which ViroXis has three issued patents for the anti-viral, anticancer and cosmetic use. This product candidate has successfully completed an investigator IND phase IIb FDA approved clinical trial.

## ABOUT TFS

TFS Corporation Ltd (ASX: TFC) is an owner and manager of Indian sandalwood plantations in the east Kimberley region of Western Australia. As part of its vision to be a vertically integrated producer of finished sandalwood products, TFS owns a significant proportion of the plantations in its own right and in 2008 acquired Mount Romance Australia (Mount Romance), the Albany-based sandalwood processor and oil distributor.

TFS was founded in 1997 to exploit the success of government trials into the plantation growth of Indian sandalwood in the Ord River Irrigation Area (ORIA) of north-east Western Australia.

TFS's first planting was in 1999 and it now manages the largest area of Indian sandalwood plantation in the world, with 2,500 hectares planted in the ORIA. The majority of the TFS plantations are managed on behalf of investors in Managed Investment Schemes regulated by ASIC and the ATO.

TFS has a land bank of over 2,600 plantable hectares for future sandalwood plantings in the ORIA and at its Kingston Rest property 65 kilometres south of the ORIA.

The company listed on the Australian Stock Exchange in December 2004 and is currently capitalised at over \$200 million.

TFS is committed to adopting and maintaining the highest environmental and ethical standards in all aspects of its business. All plantations are grown on land that has previously been used for agricultural or horticultural production. As the first ORIA land owner to recycle its water, TFS was the winner of the 2006 State Regional Water Award.

TFS was recently ranked as an industry leader in ethical and sustainable practices by Oekom Research, a leading international ratings agency.

In 2009, TFS entered the prestigious Forbes Asia Pacific's '*Best Under a Billion*', which recognises the Top 200 companies from more than 25,326 publicly-listed firms in the Asia/Pacific region with revenue of less than US\$1 billion.



## **About Indian Sandalwood**

Indian sandalwood has a history as a tradeable commodity spanning thousands of years, but is now endangered due to the illegal harvest of wild trees throughout the world. As a result, Indian sandalwood is the world's most expensive tropical hardwood and continues to increase in price each year. Its heartwood currently trades for in excess of A\$100,000 per tonne, having risen at a compounded rate of over 21% per annum over the past 17 years.

Indian sandalwood oil is a globally important ingredient in fine fragrances, cosmetics and toiletries, incense sticks, and for medicinal purposes (aromatherapy and Chinese medicine) and the wood is used for high quality carvings.

Indian sandalwood has a well entrenched market throughout the world, particularly in India and China, two of the fastest growing economies in the world.

## **Special Note Regarding Forward-Looking Statements**

This press release contains projections and forward-looking statements. These statements are based upon the current beliefs of management, as well as assumptions based upon information currently available to us. These statements are subject to various risks and uncertainties, including potential changes in economic or regulatory conditions that are largely beyond our control. Should one or more of these risks materialize or changes occur, or should management's assumptions prove incorrect, actual results may vary materially and adversely from those anticipated or projected. These forward-looking statements reflect the views of our management with respect to future events and financial performance. Actual results will differ, and could differ materially, from those projected in the forward-looking statements as a result of many factors. The words "believe," "expect," "plan," "anticipate" and similar expressions identify forward-looking statements. Investors are cautioned not to place undue reliance on these forward-looking statements, which speak only as of their dates. We are not undertaking any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.