

ZODIAC

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FOR IMMEDIATE RELEASE

PROGRESS REPORT AND POTENTIAL JOINT VENTURE

Zodiac Capital Limited (NSX:ZOD) in the interests of material disclosure advises that the Company is in advanced discussions to enter into a significant pharmaceutical Joint Venture with Stirling Products Limited (ASX:STI).

The proposed Zocap Pharma Joint Venture, if concluded, would have the global commercialisation and sales rights (excluding the Ukraine and certain European countries) to 26 fully developed phytopharmaceutical¹ products that have been progressively developed through research centres over the past 15 - 20 years.

This could uniquely position Stirling Products and the Zodiac Capital Joint Venture in the global pharmaceutical market with a product pipeline that, through the integration of each party's interests, would include at least four blockbuster product opportunities with application to major health issues and diseases.

These are summarised below:

- Obesity – the Company's beta-agonist may be coupled with the Zocap natural immune adjuvant² improving its capability of significantly reducing body weight through blocking the body's fat production receptor with no side effects.
- Muscle wasting – Stirling's beta-agonist may be coupled with Zocap's conditioning agent for treatment of age related muscle wasting and an associated weakness (sarcopenia) which affects everyone, especially during the latter years of life.
- Cold and Flu – the Zocap immune booster has been shown to lessen the incidence of colds and flu and is a market leader sold in pharmacies throughout the Ukraine.
- TB and TB/HIV – the Zocap adjuvant treatment has demonstrated in all human clinical cases to date that it is positioned as the first breakthrough treatment product in 40 years for tuberculosis (TB), drug resistant TB, multi-drug resistant TB (MDR-TB), extensively-drug-resistant TB (XDR-TB) and TB/HIV co-infection.

¹ Phytopharmaceuticals – are natural compounds derived from botanicals instead of chemicals.

² Adjuvants assist in the prevention, amelioration or cure of disease. An immune adjuvant is a substance acting to enhance the immune response to a treatment with which it is administered.

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Other Zocap products are positioned for the treatment of conditions including high cholesterol, high blood sugar, stress, arthritis and allergies.

Separately to the Joint Venture, Stirling will still continue with the commercialisation of:

- ST810 – the single enantiomer³ beta-agonist⁴ being positioned as an animal growth promotion agent to replace the use of human antibiotics and steroids currently used as growth promoters in the meat production industry.

Managing Director, Mr Peter Boonen stated: “Through its proposed Joint Venture interest in the Zocap pharmacy products the proposed Joint Venture can effectively own the rights to an extensive range and pipeline of fully developed products for which the costs and risks of discovery and development have already been fully accounted.”

“The Zocap range can be marketed in most global jurisdictions following registration, whilst the beta agonist products will require regulatory approval for each new use. Our advantage here is that it is already FDA approved in the USA as well as in other jurisdictions for human use for treatment of respiratory disease and our task is to repurpose an ‘old drug’ for ‘new uses’, which is a well understood process in the pharmaceutical industry.”

Terms and Conditions of Proposed Joint Venture

The terms of the proposed Joint Venture, although not finally agreed to or concluded, are expected to provide for terms that would provide for Stirling to earn an initial 30% interest through provision of funding costs of \$1,200,000 over an 18-24 month period. These terms and the structure and nature of proposed payment are the subject of ongoing discussion and will be subject to agreement between the parties and also subject to compliance with the ASX Listing Rules. The proposed agreement would further provide for Stirling to have the right to acquire an additional 10% at anytime over the next five years in consideration of payment of \$1,000,000 which may be paid in increments of \$100,000 (1%) at anytime during this period. Stirling also has the right to acquire an additional 10% interest at anytime in the 18 month period immediately following the 12 month anniversary of the Joint Venture agreement in consideration of the issue of 150 million shares to Zodiac Capital Limited.

³ Enantiomers – are the ‘mirror image’ opposite components of molecular structure. A single enantiomer product is regarded as a ‘pure’ product having the left enantiomer, which is generally associated with side effect, chirally removed.

⁴ Beta-agonist is any of various drugs that combine with and activate a beta-receptor which can be any group of receptors present on cell surfaces of some effector organs or tissues that mediate certain physiological responses when bound by specific beta-agonists.

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Neither Stirling Products nor Zodiac Capital can at this stage provide its respective shareholders or the Market with any assurance whatsoever that the proposed Joint Venture will proceed. As stated herein the information provided in this release is provided in the interests of the material disclosure requirements of the respective Companies.

About Zodiac Capital Limited: Zodiac Capital is a boutique investment banking group publicly listed on the NSX in Australia.

Zodiac's project investment activities are focused on the creation, syndication and management of investment projects for itself – as a principal, its shareholders and for its syndication and/or investor partners. Syndication and investor partners include wholesale investors and high net worth individuals as well as retail investors introduced to publicly listed interests through Zodiac appointed licensed retail distribution partners.

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