

# GENESIS

5 August 2009

Dear Shareholder

Genesis announced today a further important step in the development of its business. This news might help your decision regarding participation in the Share Purchase Plan.

The full announcement, which is shown on the next page, provides details of the establishment of our new subsidiary company which will develop the single stranded gene silencing technology that has been invented by Genesis employees.

Genesis will be the major shareholder in the subsidiary, with the remainder owned by the new investor. That allows Genesis to benefit from the increasing value of Solirna Biosciences as the technology is developed further with the funding that will be provided. The investment by the Japan based investment fund provides international validation of the Solirna technology.

Over the coming months we will be working hard to achieve the next steps in the development of this technology. The current project plan provides for 18 months of development tasks but there are significant milestones during that period. Future revenues are expected to be achieved from the use of the technology for specialised laboratory reagents and then subsequently from licensing the technology for use as a therapeutic for many diseases.

The Share Purchase Plan is proceeding well with subscriptions so far exceeding \$100,000. The eligible directors have each subscribed the maximum amount of \$5,000. The documents are available on the Genesis web site [www.genesis.co.nz](http://www.genesis.co.nz) if you require another copy of the SPP or application form. For any other queries please contact [enquiry@computershare.co.nz](mailto:enquiry@computershare.co.nz) or phone NZ 09 488 8777 or Australia 1 800 501 366. I hope that you will consider supporting Genesis by subscribing to the SPP, which closes next week at **5pm Tuesday 11<sup>th</sup> August**.

Sincerely,



Stephen Hall  
Chief Executive

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## **Genesis Research Establishes Solirna Biosciences**

Auckland, New Zealand, 5 August 2009 – **Genesis Research and Development Corporation Ltd (NZSX/ASX: GEN)** today confirmed that terms have been finalised with a Japanese based investment fund for the establishment and funding of a new subsidiary company to develop its gene silencing technology. Initial funding has been provided to pay Genesis for contract research services that are undertaken for the subsidiary.

The investment fund plans to provide progressive funding of the subsidiary of up to \$1 million. Genesis has agreed to transfer all its Intellectual Property and patent rights relating to RNAi and the new single stranded gene silencing technology to the new subsidiary, named Solirna Biosciences Ltd (soli: plural of solo) in recognition of the delivery of dual single strands of RNA to achieve gene inhibition through the RNAi mechanism.

Genesis Chief Executive, Stephen Hall, said, “A number of international groups have shown significant interest in this new technology. We are very pleased to have agreed these terms which will allow the technology to be developed with the necessary funding.

“Completion of all aspects of the transaction requires finalisation of certain documentation and approval of Genesis shareholders which will be sought at a special meeting to be held in September. Full details of the transaction will be provided to shareholders in explanatory notes for the special meeting.”

### **About Genesis**

Founded in 1994, Genesis is a New Zealand-based biotechnology company. It has built a broad therapeutic development platform targeting immune disorders and cancer and is focusing on developing a novel single stranded gene silencing technology using the RNAi mechanism.

Genesis holds an equity interest in Real Time Genomics Inc. and has royalty rights resulting from previous collaborations for various products that are being developed by other parties in the fields of agriculture, forage grass, forestry, etc.

For further information see [www.genesis.co.nz](http://www.genesis.co.nz)