

ASX/Media Release

Investor Update

Genepharma Australasia clarifies speculation in today's Australian Financial Review

11 May 2007, Melbourne: Genepharma Australasia (ASX:GAA) considers growth by acquisition an important part of its strategy of building scale and diversity to become a premium healthcare business. This is consistent with the core company strategy outlined at Genepharma's November 2006 Annual General Meeting.

Genepharma continues to evaluate a number of potential acquisition opportunities. The Company is not currently considering funding any acquisitions through a rights issue.

The Company continues to achieve strong organic growth from expansion of its products, service offering and customer base.

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About Genepharma:

Genepharma Australasia (ASX:GAA) is a growth-oriented pharmaceuticals company with a particular focus on generics. Genepharma markets, sells and distributes a range of pharmaceutical products ranging from blockbuster prescription drugs to cosmeceuticals. Genepharma services pharmacies, hospitals, medical centres and wholesalers. Genepharma is Australia's second largest generic pharmaceuticals company and the only dedicated generic pharmaceuticals company listed on the Australian Stock Exchange. The company was established in 2003 and listed on the ASX in 2004. For more info: www.genepharma.com.au.