

Company Announcement

Friday, 16th October, 2009

Melbourne, Australia

Conditional Performance Rights Plan

Clinuvel Pharmaceuticals Ltd (**ASX: CUV; XETRA-DAX: UR9; ADR: CLVLY**) today announced the issue of 3,270,000 rights to its employees under its Conditional Performance Rights Plan. Subject to the successful achievement of further development milestones, the rights will entitle the employees to require that Clinuvel issue or transfer a designated number of shares to them at no cost. This Plan largely substitutes the current Clinuvel Employee Option Plan introduced on 25th January 2007.

Subsequent to the current management being installed in January 2006, Clinuvel has made significant strides in the following areas:

- identification of new, unmet clinical needs where afamelanotide may be used;
- the design and implementation of its current clinical and regulatory program;
- public and scientific acknowledgement and support for its global scientific program;
- regulatory progress and acknowledgement, as demonstrated by afamelanotide's multiple orphan designations; and
- long-term funding of the Company.

In the next 24 months, Clinuvel faces a number of critical corporate events and challenges, particularly as it prepares for its first marketing authorisation application in Europe. As Clinuvel wishes to ensure that its current program to commercialise afamelanotide (and, therefore, to drive shareholder value) continues unhindered and without disruption, the Board is seeking to ensure that its current, very talented management team is retained and rewarded for the commitment that each team member will be required to make if Clinuvel is to achieve its development goals.

Under its Conditional Performance Rights Plan, Clinuvel's key and longest serving employees will be offered conditional rights to equity in Clinuvel. On the achievement of each of the defined development objectives leading to Clinuvel's first marketing authorisation application, the employees will be able to exercise an agreed number of their rights and require Clinuvel, at no cost to them, issues shares to them. The issue of rights to employees does not include any issue of rights to executive Directors. Any issue of rights to executive Directors requires shareholder approval in accordance with ASX Listing Rules.

The Board of Clinuvel has allocated to eligible current employees rights to require up to 3,270,000 shares (or approximately 1.1% of Clinuvel's current issued capital) be issued to them in tranches pending the successful achievement of the further development milestones. Rights relating to another 3,500,000 ordinary shares have been retained by Clinuvel for issue under the Plan to future members of the management team and other key employees.

Offers to the employees under the Conditional Performance Rights Plan will be made immediately.

The Board of Clinuvel notes that, if the further development milestones are achieved, the employees will be entitled to rights to shares. At the time of the Board's decision to make the offers under its Conditional Performance Rights Plan, the volume weighted average sale price of Clinuvel shares on ASX for the prior 20 trading days was A\$0.33.

For further information about the Conditional Performance Rights Plan, shareholders should contact Mr Darren Keamy, the Company Secretary on (03) 9660 4900 or email investorrelations@clinuvel.com.

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About afamelanotide

Afamelanotide is an analogue of α -MSH, a peptide which activates the body's natural ability to produce eumelanin, the dark pigment of the skin which is known to have photoprotective properties, thus providing skin protection against UV radiation (UVR). Increased pigmentation of the skin appears a few days after administration of afamelanotide and lasts up to two months. Afamelanotide is administered underneath the skin as a dissolvable implant approximately the size of a grain of rice.

About Clinuvel Pharmaceuticals Limited

Clinuvel Pharmaceuticals Ltd is a leading and innovative Australian company focused on the development of afamelanotide, its proprietary first-in-class photoprotective drug. Clinuvel has identified five groups of patients with a clinical need for photoprotection. Currently, Clinuvel is in its final stages to complete testing of afamelanotide in Phase II and III trials in Australia and Europe. Clinuvel's ongoing focus is to demonstrate the safety and efficacy of afamelanotide.

Clinuvel is currently testing afamelanotide in five clinical indications:

Indication	Description	Clinical Trial Status
Erythropoietic Protoporphyrin (EPP)	Absolute sun/UV intolerance	Phase III trials started April 2007 Confirmatory Phase III trials approved August 2009
Polymorphic Light Eruption (PLE / PMLE)	Severe sun/UV poisoning	Phase III trials started May 2007
Actinic Keratosis (AK) and Squamous Cell Carcinoma (SCC) in Organ Transplant Recipients (OTRs)	Skin cancer in transplant patients	Phase II trials started October 2007
Solar Urticaria (SU)	Acute anaphylactic reaction to sun/UV	Phase II trials reported July 2009
Photodynamic Therapy (PDT) - systemic	Phototoxicity following cancer treatment	Phase II trials started September 2008

Phase I and II human clinical trials using afamelanotide have demonstrated that the drug is well tolerated and no significant safety concerns have been identified to date.

Following successful conclusion of the development program, Clinuvel will work closely with global regulators to facilitate marketing approval of afamelanotide.

For more information contact:

Darren Keamy

Company Secretary

Or

Lachlan Hay

Head of Global Network and Communications

Clinuvel Pharmaceuticals Limited

T: +61 3 9660 4900

E: investorrelations@clinuvel.com

Clinuvel is an Australian biopharmaceutical company focussed on developing its photoprotective drug, afamelanotide for a range of UV-related skin disorders resulting from exposure of the skin to harmful UV radiation. Pharmaceutical research and development involves long lead times and significant risks. Therefore, while all reasonable efforts have been made by Clinuvel to ensure that there is a reasonable basis for all statements made in this document that relate to prospective events or developments (forward-looking statements), investors should note the following:

- actual results may and often will differ materially from these forward-looking statements;
- no assurances can be given by Clinuvel that any stated objectives, outcomes or timeframes in respect of its development programme for afamelanotide can or will be achieved;
- no assurances can be given by Clinuvel that, even if its development programme for afamelanotide is successful, it will obtain regulatory approval for its pharmaceutical products or that such products, if approved for use, will be successful in the market place

Level 11 / 330 Collins Street
Melbourne, Victoria 3000
Australia

T +61 3 9660 4900
F +61 3 9660 4999

www.clinuvel.com