

ASX RELEASE

14 September 2018

ATTAINMENT OF MILESTONE UNDER GLIOBLAST PURCHASE AGREEMENT

“ALL SITES ACTIVELY RECRUITING FOR THE GDC-0084 GLIOBLASTOMA PHASE II STUDY”

Sydney, 14 September 2018 – Kazia Therapeutics Limited (ASX: KZA; NASDAQ: KZIA), an Australian oncology-focused biotechnology company, is pleased to advise that, pursuant to the Share Sale Agreement relating to the acquisition of Glioblast Pty Ltd in October 2016 (the Agreement), the conditions defined for the attainment of Milestone 1 have been fully met.

Progress with the GDC-0084 study has been extremely positive, with all seven sites now open and actively recruiting patients. Clinician engagement has been very encouraging and several patients are at various stages of screening and preparation to initiate dosing. At this stage, the study remains on track to report initial data from the dose escalation component early in calendar 2019.

The Agreement provides for an issuance of \$1,250,000 in Kazia stock to Glioblast shareholders once the phase II study of GDC-0084 commences dosing. Patients undergo standard surgery and radiotherapy over several months prior to initiating treatment with GDC-0084. Several patients are recruited into the study and now the first patient has received their first dose of GDC-0084 in the study. Dosing of other patients will follow very shortly.

Accordingly, Kazia expects in due course to issue the contingent consideration associated with this milestone, in accordance with the Agreement and consistent with the Company's previous disclosures relating to this matter. The shares may be issued up to forty business days following completion of the milestone, and the Company will separately lodge an Appendix 3Y once the shares have been issued.

Kazia CEO, Dr James Garner, commented, “we are delighted with progress on the study so far. We are working with some of the world's top centres in this field and we have very much appreciated the excellent work by the clinicians and site personnel in getting the study to this point. The attainment of this milestone is a value-driving event for all shareholders and we look forward to sharing further progress with the study in due course.”

[ENDS]

Board of Directors

Mr Iain Ross Chairman, Non-Executive Director

Mr Bryce Carmine Non-Executive Director

Mr Steven Coffey Non-Executive Director

Dr James Garner Chief Executive Officer, Managing Director

About Kazia Therapeutics Limited

Kazia Therapeutics Limited (ASX: KZA, NASDAQ: KZIA) is an innovative oncology-focused biotechnology company, based in Sydney, Australia. Our pipeline includes two clinical-stage drug development candidates, and we are working to develop therapies across a range of oncology indications.

Our lead program is GDC-0084, a small molecule inhibitor of the PI3K / AKT / mTOR pathway, which is being developed to treat glioblastoma multiforme, the most common and most aggressive form of primary brain cancer in adults. Licensed from Genentech in late 2016, GDC-0084 entered a phase II clinical trial in March 2018. Initial data is expected in early calendar 2019. GDC-0084 was granted orphan designation for glioblastoma by the US FDA in February 2018.

TRX-E-002-1 (Cantrixil), is a third-generation benzopyran molecule with activity against cancer stem cells, and is being developed to treat ovarian cancer. TRX-E-002-1 is currently undergoing a phase I clinical trial in Australia and the United States. Initial data was presented in June 2018 and the study remains ongoing. Cantrixil was granted orphan designation for ovarian cancer by the US FDA in April 2015.