



Friday 4 November 2011

## **FULLY UNDERWRITTEN PRO-RATA RENOUNCEABLE ENTITLEMENT OFFER TO RAISE A\$2.1 MILLION AND SALE OF UNMARKETABLE PARCELS**

Cyclopharm Limited (**Company**) is pleased to announce that it intends to raise approximately A\$2.1 million before costs via a fully underwritten renounceable rights issue.

The rights issue will comprise a pro-rata renounceable entitlement offer to eligible shareholders of 1 share for every 3.2 shares held at the Record Date of 7.00pm (Sydney time) on 14 November 2011 (**Rights Issue**).

There will also be a shortfall facility, under which eligible shareholders will have the ability to subscribe for additional shares in the Company, which may be issued from any shortfall under the Rights Issue.

The Rights Issue is fully underwritten by CVC Managers Pty Limited (**Underwriter**).

Under the Rights Issue the Company will issue 52,566,443 shares at A\$0.04 per share.

Participation in the Rights Issue will be offered to shareholders with registered addresses in Australia and New Zealand. The Offer will be conducted in accordance with section 708AA of the *Corporations Act 2001* (Cth). Eligible shareholders will receive a Rights Issue offer booklet including a personalised entitlement and acceptance form which will provide further details of how to participate in the Rights Issues.

The proceeds of the Rights Issue will go towards funding the operating costs of Cyclopet and to fund a Technegas clinical trial in the United States. While the market for products manufactured by Cyclopet is growing, in the first year of operations the market has not reached our initial expectations. The lagging market combined with competition from government owned enterprises requires additional capital to support this new venture.

The commencement of the United States Food and Drug Administration (FDA) clinical trial is expected to commence December this year. The total

FDA clinical trial costs are estimated to cost approximately US\$4.0 million over the next 30 months. Following commencement, the balance of the FDA clinical trial costs is expected to be funded by the operations.

Following the Rights Issue, the Company will have fully paid issued capital of 220,779,059 ordinary shares.

### Indicative timetable

Event	Date
Announcement of Rights Issue	Friday 4 November 2011
Existing shares quoted 'ex' rights Rights trading commences	Tuesday 8 November 2011
Record date	7.00pm (Sydney time) Monday 14 November 2011
Despatch offer booklet and entitlement and acceptance form to Shareholders Offer opens	Friday 18 November 2011
Rights trading ends	Friday 25 November 2011
Offer closes	5:00pm (Sydney time) Friday 2 December 2011
Issue and allotment of shares Holding statements despatched	Friday 9 December 2011
Normal trading resumes	Monday 12 December 2011

### Sale of unmarketable parcels

In conjunction with the Rights Issue the Company intends to commence a program for the sale of unmarketable parcels in accordance with clause 149 of the Company's constitution.

Holders of unmarketable parcels will receive a letter from the Company shortly advising them of the details in relation to the sale.

The Directors thank you for your ongoing support of the Company.

For further information, please contact:



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