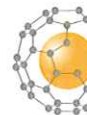


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Nuclear Medicine



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Cyclopharm Limited achieves a major milestone in Sydney

Cyclopharm Limited (ASX: CYC) is pleased to announce the finalisation of an agreement to establish its first PET radiopharmacy (PET pharmacy) in Sydney at the Macquarie University Medical School campus and the Dalcross Private Hospital (Macquarie University Private Hospital).

Cyclopharm's facilities will be the first commercial Radiopharmaceutical production centre in NSW with a planned range of radiopharmaceutical products to service the Nuclear Medicine community in Sydney. The Macquarie site will house a cyclotron and a commercial production facility for the currently needed cancer diagnostic molecule: Fluoro-Deoxy-Glucose (FDG).

Cyclopharm will lease premises from Macquarie University Private Hospital for a term of 10 years with a 10 year option to renew the lease. Cyclopharm expect to invest approximately \$6 million to establish the PET pharmacy at Macquarie University Private Hospital. Construction is expected to be completed during the first half of 2009 and no revenues are expected to be generated until after completion.

PET is the fastest growing nuclear medicine diagnostic imaging modality in the world and was recently recognised by the Federal Government as the best option for the diagnosis and staging cancer patients' treatment in Australia. In fact, this imaging technique has experienced a 200 percent global growth in the last two years and Cyclopharm is committed to enhance the Australian scene by making this imaging technique equally available here.

Thousands of patients in NSW could not access this diagnostic capability last year because of the FDG supply shortfall. The Cyclopharm FDG production facility will mitigate the pressures of this demand. Furthermore, establishing by the private sector the commercial FDG production capability in NSW will foster PET imaging and will alleviate demands on the government to fund in hospitals the required infrastructure such as costly cyclotrons and FDG production facilities. The saved costs may then be directed towards more productive health care expenditures such as patient care.

The new private hospital, due to be open mid 2009, is co-located with the Australian School of Advanced Medicine at Macquarie University. It is the first medical school in Australia to be linked to a private teaching hospital on a university campus. The Australian School of Advanced Medicine offers advanced training for doctors, particularly in surgery as well as medical research. The school brings together a group of world class clinicians, researchers and medical educators to create an innovative training program with a focus on future trends in medicine. Cyclopharm will be an integral part of this development.

A picture of the New Macquarie University Private Hospital is shown here as depicted on the Macquarie University Private Hospital web site.

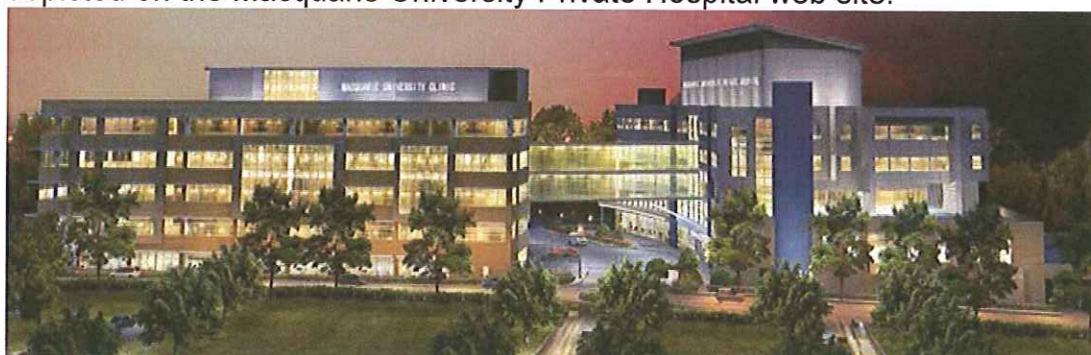


Figure 1 Macquarie University Private Hospital

Cyclopharm selected the Macquarie University and Dalcross Private Hospital affiliation for this endeavour to enhance the Australian Nuclear Medicine and Radiopharmaceutical scenes. Cyclopharm will support Molecular Imaging Research at the Macquarie University. Non-production time of the cyclotron will be available to conduct cutting edge research in the development of PET diagnostic targeting molecules in collaboration with the University and the Pharmaceutical Industry using state of the art technology incorporating biologically compatible positron emitting radioisotopes such as carbon-11.

In addition, world-renowned Cyclopharm research staff together with company-supported University staff will collaborate on research and educational programs to develop the future scientific work force. This will establish at Macquarie University and NSW a premier Radiopharmaceutical Science educational program necessary to advance Molecular Imaging in Australia.

We are delighted by this milestone agreement for the company. Cyclopharm is now very well positioned to become the regions leading radiopharmaceutical company.

John Sharman
Managing Director

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