

Appendix 3X

Initial Director's Interest Notice

Name of entity CYCLOPHARM LIMITED	
ABN	74 116 931 250

We (the entity) give ASX the following information under listing rule 3.19A.1 and as agent for the director for the purposes of section 205G of the Corporations Act.

Name of Director	James McBrayer
Date of appointment	3/6/2008

Part 1 - Director's relevant interests in securities of which the director is the registered holder

Name of holder & nature of interest	Number & class of Securities
James McBrayer	Ordinary Shares 700,000 ¹
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Direct	1,400,000

1. Long Term Incentive Plan Shares acquired for \$0.25 each under a limited recourse loan facility provided by the Company, refer to Loan 1 below.
2. Long Term Incentive Plan Shares acquired for \$0.35 each under a limited recourse loan facility provided by the Company, refer to Loan 2 below.

Part 2 – Director's relevant interests in securities of which the director is not the registered holder

In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust

Number & class of securities	
Ordinary Shares	Nil
Indirect:	Nil
Total (Direct & Indirect):	1,400,000

+ See chapter 19 for defined terms.

Part 3 – Director's interests in contracts

Note: In the case of a company, interests which come within paragraph (ii) of the definition of "notifiable interest of a director" should be disclosed in this part.

Detail of contract	Contract for employment as Managing Director commencing 3 June 2008.
Nature of interest	Employment Contract
Base Remuneration	\$260,000 per annum, including superannuation, which will rise to \$300,000 on 1 January 2009, subject to performance.
Profit sharing Incentive:	Each year at 31 December, an additional amount up to \$50,000 (payable in shares) may be paid. The additional amount will be based on the achievement of certain benchmarks and targets as agreed with the Board of Directors of Cyclopharm.
Equity Incentive:	<p>Loan 1 The Company has agreed to lend money to James McBrayer on a limited recourse basis for 2 years, to purchase 700,000 shares in Cyclopharm. The price paid for each share will be equivalent to \$0.25 per share.</p> <p>Loan 2 The Company has agreed to lend money to James McBrayer on a limited recourse basis for 4 years, to purchase 700,000 shares in Cyclopharm. The price paid for each share will be equivalent to \$0.35 per share.</p>

+ See chapter 19 for defined terms.