

**cyclopharm**

Nuclear Medicine

**cyclo**medica  
**molecula**rimaging  
**techneg**as



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9 November 2012

Dear Shareholder

## **PRO- RATA ENTITLEMENT OFFER**

Cyclopharm Limited (**Company**) recently announced a capital raising comprising a fully underwritten 1 for 4 renounceable pro-rata entitlement offer (**Rights Issue**) to raise up to approximately A\$2.1 million before costs.

The net proceeds of the capital raising will go funding the operating costs of Cyclopet, support the legal proceedings Cyclopet has commenced against the Australian Nuclear Science and Technology Organisation and to fund the commencement of the Technegas clinical trial in the United States. While the market for products manufactured by Cyclopet has been encouraging in 2012, competition from government owned enterprises requires additional capital to support this venture.

The United States Food and Drug Administration (**FDA**) clinical trial has commenced with the first installation in October this year. The FDA clinical trial costs are estimated to cost approximately US\$4.0 million in total with expenditure of US\$0.8 million expected within the next 12 months. The balance of the FDA clinical trial costs is expected to be funded through a subsequent capital raising next year.

### **Details of the Rights Issue**

Under the Rights Issue the Company will issue up to 11,625,683 shares at A\$0.18 per share.

Eligible Shareholders may also apply for new shares in excess of their entitlement, although any application for additional new shares may be scaled back at the Company's discretion.

### **Underwriting**

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

### **Eligible Shareholders**

The Rights Issue will be offered to all shareholders of the Company with a registered address in Australia and New Zealand, at 7.00pm (Sydney time) on 19 November 2012 (**Eligible Shareholders**).

### **Ineligible Shareholders**

The Company regrets that, having considered the number of shareholders with registered addresses outside Australia and New Zealand (**Ineligible Shareholders**), the number and value of the shareholdings held by Ineligible Shareholders, and the costs of complying with the laws and any requirements of any regulatory authority in each applicable jurisdiction, it will not offer the Rights Issue to Ineligible Shareholders.

### **Sale of Entitlements**

The Rights Issue will be renounceable, which means that entitlements can be sold or otherwise transferred.

The Company will appoint a nominee to be issued with, and arrange for the sale of, the entitlements that would otherwise have been offered to Ineligible Shareholders' and to account to Ineligible Shareholders for the net proceeds of sale. The nominee will sell those entitlements and, if they are sold, send the proceeds of the sale (if any), net of expenses, to Ineligible Shareholders.

### Important dates

| Event   | Date  |
|---|---|
| Announcement of Rights Issue  | Friday 9 November 2012                          |
| Existing shares quoted 'ex' rights<br>Rights trading commences                            | Tuesday 13 November 2012                        |
| Record date   | 7.00pm (Sydney time)<br>Monday 19 November 2012 |
| Despatch offer booklet and entitlement and acceptance form to Shareholders<br>Offer opens | Friday 23 November 2012                         |
| Rights trading ends   | Friday 30 November 2012                         |
| Offer closes  | 5:00pm (Sydney time) Friday<br>7 December 2012  |
| Issue and allotment of shares<br>Holding statements despatched                            | Friday 14 December 2012                         |
| Normal trading resumes  | Monday 17 December 2012                         |

*The dates above are indicative only and subject to the Listing Rules and the Corporations Act, the Company reserves the right to change any date, including to extend the closing date or to close the offer early without prior notice.*

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



James McBrayer  
Managing Director  
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