

26 May 2011

The Manager
Company Announcements Office
Australian Securities Exchange Limited
20 Bridge Street
Sydney NSW 2000

Chairman's Address

Welcome to the Annual General Meeting of the shareholders of Cyclopharm Limited (ACN 116 931 250) at Level 1, Seminar Room of the Australian School of Advanced Medicine, #2 Technology Place Drive, Macquarie University Hospital, North Ryde, NSW 2109, on Thursday, 26 May, 2011 at 11.30 a.m.

This is the first AGM we have held in New South Wales. Your directors felt it was important to give you the opportunity to see the very impressive facilities we have established here at Macquarie University.

I, Vanda Russell Gould, as Chairman, **declare that a quorum is present** in accordance with the Constitution and that the meeting is open.

I have the pleasure of introducing my fellow directors Mr David Heaney, Mr John Sharman, Mr Alexander Beard and the Managing Director Mr James McBrayer.

I also welcome Professor Nabil Morcos, Cyclopharm's Chief Operating Officer and Mr Greg Ralph, the Company's Auditor.

Please note the following documents are tabled and are available for review, the Notice of Annual General Meeting, Financial Statements, Independent Auditor's Report, Directors' Report, Members' minute book, Company's Constitution and Shareholders' Register.

I am very pleased to advise Shareholders that across the street from this venue is Macquarie University Hospital, home to our new PET Facility and our imaging joint venture. We sold our first doses of Fluorodeoxyglucose (FDG) in December 2010 and congratulate our Managing Director Mr James McBrayer, Professor Nabil Morcos and their team in overcoming the construction, commissioning and regulatory challenges to deliver these state of the art facilities.

We see our expansion into Molecular Imaging technology used to diagnosis and monitor various forms of cancer, as a major component of our growth strategy. We have invested over \$10.0m in this vision via the PET Facility at Macquarie University Hospital and \$0.7m in our joint venture interest in the imaging department, Macquarie Medical Imaging (MMI), housed within this Hospital. I wish to make Shareholders aware that we are the first commercially licensed TGA facility located within a teaching hospital in Australia.

Our ties with the academic, clinical and medical fraternities have deepened via our strategic partnerships with Macquarie University and Alfred Health Solutions, our MMI JV Partner. In

cyclopharm

Nuclear Medicine



cyclomedica
molecularimaging
technegas

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recognition of that partnership with the University our Director of Science, Professor Morcos has accepted Associate Professorship with the Australian School of Advanced Medicine at Macquarie University.

Your Directors are pleased that their strategy, approved by shareholders over three years ago, has finally given your Company a new dimension to its activities and moved it from a sole product company toward a national nuclear pharmacy provider. Our primary focus is to increase our customer base for this PET Facility. We have submitted tenders to provide the radiopharmaceuticals for the NSW public hospital sector and we are in discussions to expand our offering to other locations within Australia.

For the year in review, our Net Profit After Tax of \$450,106 was disappointing. The result was impacted by the anticipated start-up costs, associated with the new Molecular Imaging division and our imaging joint venture. In addition, there were factors that were outside of our control, such as foreign currency movements and the reduction in the number of nuclear medicine procedures worldwide due to the Molybdenum shortage. Molybdenum is an essential component to the operation of a Technegas machine.

Technegas has helped over 2.5 million patients suffering from the life-threatening condition, Pulmonary Embolism (PE), over the course of two decades.

Our previous attempts to gain FDA approval to sell Technegas in the USA has been frustrating and at times seemed unachievable. Nevertheless, we have continued to persevere based on the overwhelming acceptance of Technegas throughout the world.

I am pleased to report that the path to US approval is now clear, based on receiving special protocol assessment approval from the FDA. Mr McBrayer will provide a detailed update on our status of entry into the USA, a market that represents over 50% of the potential world's market for Technegas.

My confidence in Cyclopharm remains strong and when combined with the knowledge of the Company's contribution to society and the strength of its technology and people, it reminds me to remain steadfast in the belief that ultimately our efforts and commitment will be even further vindicated by both the number of lives our products save throughout the world and increased financial benefits.

We thank our management and staff, led by Mr James McBrayer - their persistence and commitment to delivering on the Company's objectives has been exemplary. We also thank our shareholders, bankers and customers for their support.

I now invite Mr James McBrayer, Cyclopharm's Managing Director to present a review of operations.

Vanda Gould
Chairman