



**4 November 2011**

Company Announcements Office  
Australian Securities Exchange Limited

**UNMARKETABLE PARCEL SALE FACILITY**

The Board of Cyclopharm Limited (**Company**) is pleased to announce that it has established a share sale facility for holders of unmarketable parcels of shares in the Company.

As at 7.00pm (Sydney time) on 2 November 2011, an unmarketable parcel (which is a parcel of shares with a market value of less than \$500 will be any shareholding of 12,820 shares or less.

The Company is offering this facility to assist shareholders of unmarketable parcels to sell their shares without having to use a broker or pay a brokerage. The Company will pay all the costs of sale of those shareholders who take advantage of the facility (although any tax consequences from the sale will be the shareholder's responsibility).

Cyclopharm values all of its shareholders. However, it incurs significant administrative costs in maintaining many small shareholders, which can be disproportionately high when compared with the dollar value of the shareholding.

**Attached** is a copy of the letter and the retention form to be sent to all shareholders holding an unmarketable parcel.

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

James McBrayer  
Managing Director



7 November 2011

Dear Shareholder

### **Sale of your unmarketable parcel of Cyclopharm Limited Shares**

I am writing to advise you that Cyclopharm Limited (**Company**) has established a share sale facility (**Facility**) for holders of shares (**Unmarketable Parcels**) valued at less than \$500 as at 7.00pm (Sydney time) on 2 November 2011 (**Record Date**). The Facility is being established in accordance with the Company's constitution and the ASX listing rules.

The Company is offering the Facility to assist holders of Unmarketable Parcels to sell their shares. Holders of Unmarketable Parcels who take advantage of the facility will have their shares sold without having to act through a broker or pay brokerage. The Company will also pay all other costs associated with the sale (although any tax consequences from the sale of your shares will be your responsibility).

Our records show that you hold an Unmarketable Parcel based on the Company's share price of A\$0.039 as at 7.00pm (Sydney time) on the Record Date. Unless you advise the Company that you do not wish to sell your shares within 6 weeks of receipt of this letter, the Company intends to sell your shares through the Facility in accordance with clause 149 of the Company's constitution and the ASX Listing Rules.

The shares will be sold in a manner determined by the Company for a price which in the opinion of the directors has a value not less than the Minimum Sale Price.

The *Minimum Sale Price* is the weighted average sale price of the relevant securities sold on ASX during a period of 5 consecutive trading days immediately preceding the date of this letter, rounded to the nearest half cent or, if there are no sales of the relevant securities on ASX during that period the sale price which in the opinion of the directors is a fair and reasonable sale price for the relevant securities immediately prior to the date of this letter.

The proceeds of the sale will be sent to you as soon as is practicable after the sale of the shares.

### **If you do not want to sell your shares through the Facility**

If you do not wish to sell your shares through the Facility, you must complete and return the attached form so that it is received by 5.00 pm (Sydney time) on 19 December 2011.

Alternatively, you may acquire such a number of additional shares so that after 19 December 2011, you hold a parcel of shares which has a value of not less than \$500 (based on the closing price on ASX) under the same name and address and with the same holder number (SRN or HIN) as set out in this letter.

The ways you may acquire additional shares include buying them on market or applying for shares under the Company's recently announced rights issue.

**If you want to sell your shares through the Facility**

If you want to sell your shares through the Facility, you do not need to take any action. By refraining from taking any action, after 19 December 2011, you will be deemed to have irrevocably appointed the Company as your agent:

- to sell all of your shares at a price not less than the Minimum Sale Price and without any cost being incurred to you; and
- deal with the proceeds of the sale as set out in this letter.

If you need help deciding what to do, or if you require information regarding the financial, legal or tax consequences of participating in the Facility you should consult your legal, financial or taxation adviser.

The back of this letter sets out further details of the Facility, which you should read before making any decision.

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



James McBrayer  
**Managing Director**

## **MORE INFORMATION ON THE FACILITY**

### **1. WHAT IS AN UNMARKETABLE PARCEL OF SHARES?**

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A parcel of shares valued at less than \$500 as at 7.00pm (Sydney time) on 2 November 2011.

### **2. WHAT PRICE WILL I RECEIVE FOR SHARES SOLD THROUGH THE FACILITY?**

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The shares will be sold for a price which in the opinion of the directors has a value not less than the Minimum Sale Price.

The *Minimum Sale Price* is the weighted average sale price of the relevant securities sold on ASX during a period of 5 consecutive trading days immediately preceding the date of this letter, rounded to the nearest half cent or, if there are no sales of the relevant securities on ASX during that period the sale price which in the opinion of the directors is a fair and reasonable sale price for the relevant securities immediately prior to the date of the letter accompanying this document.

Subject to the Minimum Sale Price, the price that you receive for your shares under the Facility will be determined by when and how the shares are sold. The Company may sell your shares on market or in any other way they consider fair and reasonable in the circumstances. If the shares are sold on market, the price will depend on a number of factors, including market conditions at the time of sale. You will not have control over the time at which your shares are sold. The price you receive may be different from the price appearing in the newspaper or quoted by ASX on any day, may not be the best price on the day that your shares are sold and may be different to the price that other holders of unmarketable parcels may receive. If the Company sells your shares other than on market, the price will be the price that the Company has been able to negotiate with the acquirer or acquirers.

The Company will pay all of the costs of sale.

### **3. WHAT IS THE PRICE OF THE COMPANY'S SHARES?**

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The last sale price of the Company's shares on 2 November 2011 was A\$0.039. The share price changes frequently and more recent prices are available in newspapers and from the ASX website ([www.asx.com.au](http://www.asx.com.au)) under the ASX code 'CYC'.

### **4. WHEN WILL THE SALE TAKE PLACE?**

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The sale will take place as soon as practical after 19 December 2011.

### **5. WHEN WILL THE PROCEEDS FROM THE SALE OF SHARES BE SENT TO ME?**

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Payment will be sent to you as soon as is practicable after the sale of the shares. Payment will be made in Australian dollars by cheque. You will be notified by way of a transaction confirmation statement, of the number of your shares sold and the price and total sale proceeds you have received. The transaction confirmation statement and cheque will be sent by post, to your address as shown in the share register.

## **6. IF I BUY MORE SHARES, WILL I RETAIN MY HOLDING?**

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Yes, if you acquire such a number of additional shares so that after 19 December 2011, you hold a parcel of shares which has a value of not less than \$500 (based on the closing price on ASX) under the same name and address and with the same holder number (SRN or HIN) as set out in the letter accompanying this document.

The ways you may acquire additional shares include buying them on market or applying for shares under the Company's recently announced rights issue.

The Company hopes that you purchase additional shares and encourages you to participate in the renounceable pro-rata entitlement offer announced 4 November 2011.

## **7. WHERE CAN I GET FURTHER INFORMATION?**

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If you have any questions concerning your shareholding or how the Facility will work, please contact the Share Registry, Gould Ralph Pty Limited on +612 9032 3000.

## **8. IMPORTANT NOTES**

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The Company reserves the right to change any of the dates referred to in this letter by notice to the ASX.

After 19 December 2011, for the purpose of selling Unmarketable Parcels that are held in a CHESS Facility holding, the Company may initiate a holding adjustment to move these shares from the CHESS Facility holding to an issuer sponsored holding or certificate holding.

This letter does not constitute advice nor a recommendation to buy, sell or hold shares nor that the Facility is the best way to sell the shares in the Company.

If you are in any doubt about what to do, you should consult your legal, financial or taxation adviser.

**NOTE: if you currently have more than one holding on the Company share register, you may wish to consider consolidating them. This may result in your consolidated holding no longer being an Unmarketable Parcel and no longer eligible to participate in the Facility.**



## NOTICE OF RETENTION OF SMALL SHAREHOLDING FORM

### IMPORTANT:

- Please read the terms and conditions of the Facility detailed in the letter from Cyclopharm Limited (**Company**) to holders of Unmarketable Parcels dated 7 November 2011 (**Notice**).
- If you wish to retain your shares in the Company this form must be received by the share registry no later than 5.00pm (Sydney time) on 19 December 2011. Print clearly in capital letters using black pen.

Name 1  
 Name 2  
 Name 3  
 Name 4  
 Name 5  
 Name 6

<b>Holder Number:</b>	<b>Holder Identifier</b>
<b>Number of shares held at 7pm (Sydney time) on 2 November 2011</b>	<b>Shares Held</b>

### Retaining your shares in the Company

If you hold an Unmarketable Parcel and intend to retain your shareholding in the Company, you must complete parts A, B and C of this form and return it to the share registry so that it is received no later than 5.00pm (Sydney time) on 19 December 2011. If you hold an Unmarketable Parcel and the share registry does not receive this form by 5.00pm (Sydney time) on 19 December 2011, your shares will be sold in accordance with the terms and conditions of the Facility detailed in the Notice. The address for the share registry is:

Cyclopharm Limited – Share Registry  
 C/- Gould Ralph Pty Limited  
 Level 42 Suncorp Place  
 259 George Street  
 SYDNEY NSW 2000.

If your shares are in a CHESS holding, the Company may, without further notice, initiate a holding adjustment to move those shares from that CHESS holding to an issuer sponsored holding for the purpose of the Facility.

If you have any questions as to how to complete this form, please contact the share registry on +61 2 9032 3000.

### A (Please tick) Retention of shares in the Company

I/We refer to the Notice from the Company dated 7 November 2011 and record my/our wish to retain my/our shares.

### B Signature(s) of share holder(s) – THIS MUST BE COMPLETED

Share Holder 1	Share Holder 2
Director/Company Secretary	Director

This form must be signed by the share holder. If a joint holding, all shareholders must sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the share registry or a certified copy attached to this form. If executed by a company, a director may sign jointly with another director or a company secretary. A sole director who is also a sole company secretary (or where there is no company secretary) can also sign. Please indicate the office held in the appropriate space.

### C Contact Name

Contact telephone number (daytime/work/mobile)

Email address

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