

cyclopharm

Nuclear Medicine

cyclomedica
molecularimaging
technegas



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7 November 2011

Dear Shareholder

PRO- RATA ENTITLEMENT OFFER

Cyclopharm Limited (**Company**) recently announced a capital raising comprising a fully underwritten 1 for 3.2 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 towards funding the operating costs of Cyclopet and to fund a Technegas clinical trial in the United States. While the market for products manufactured by Cyclopet is growing, in the first year of operations the market has not reached our initial expectations. The lagging market combined with competition from government owned enterprises requires additional capital to support this new venture.

The commencement of the United States Food and Drug Administration (FDA) clinical trial is expected to commence December this year. The total FDA clinical trial costs are estimated to cost approximately US\$4.0 million over the next 30 months. Following commencement, the balance of the FDA clinical trial costs is expected to be funded by the operations.

Details of the Rights Issue

Under the Rights Issue the Company will issue up to 52,566,443 shares at A\$0.04 per share.

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 14 November 2011 (**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 4 November 2011
Existing shares quoted 'ex' rights Rights trading commences	Tuesday 8 November 2011
Record date	7.00pm (Sydney time) Monday 14 November 2011
Despatch offer booklet and entitlement and acceptance form to Shareholders Offer opens	Friday 18 November 2011
Rights trading ends	Friday 25 November 2011
Offer closes	5:00pm (Sydney time) Friday 2 December 2011
Issue and allotment of shares Holding statements despatched	Friday 9 December 2011
Normal trading resumes	Monday 12 December 2011

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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