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Government expands PET approved indications

Cyclopharm Limited (ASX: CYC) is pleased to advise shareholders of the Australian Government's decision to expand approved PET (Positron Emission Tomography) indications to include ovarian cancer, colorectal cancer and recurrent melanoma.

The Government's decision means:

- Australian cancer sufferers will now have greater access to PET diagnostic imaging; and
- a total of 6 indications are approved for reimbursement. CYC expects the approved number of PET indications to continue to increase in line with overseas trends. For example there are 7 approved in France and 10 in the United States.

The increase of approved indications and the expected growth in PET scanners are key demand drivers for the provision of CYC 's PET radiopharmaceuticals.

PET can dramatically improve patient outcomes both in survival rates and through economic savings. PET is considered more accurate for the staging of certain cancers. The improved staging of a patient's therapeutic progress can potentially avoid the need for radical surgery which may not provide long-term benefit.

We have commenced development of our two PET radiopharmacy sites. In March 2008, Cyclopharm announced its agreement to establish its first PET radiopharmacy in Sydney at the Macquarie University Private Hospital. Major construction works are currently underway. Fit-out of the production and laboratory areas are expected in early 2009 with completion scheduled during the first half of 2009.

We are delighted by the Government's announcement and believe that it represents another step forward in supporting our PET radiopharmacy infrastructure development in Australia.

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Background

Cyclopharm Limited

Cyclopharm is a radiopharmaceutical company servicing the medical profession. The Company's focus is the provision of radiopharmaceutical products, Technegas (for lung imaging) and Molecular Imaging / PET radiopharmaceuticals (for imaging cancer tumors). Our customers are nuclear medicine departments within hospitals.

Macquarie University Medical School campus and the Dalcross Private Hospital (Macquarie University Private Hospital)

Macquarie University Private Hospital is an \$80 million joint venture development between Macquarie University and Dalcross Private Hospital. The development will establish a major medical precinct within the Macquarie University Research Park to complement the Allied Health teaching services offered by Macquarie University.

The Macquarie University Private Hospital will provide 'state of the art' hospital facilities with high quality care standards, as well as facilitate the delivery of health education and research on site.

Positron Emission Tomography (PET)

PET radiopharmaceuticals target specific tissues / organs, concentrate there, and the attached radioisotope emits radiation, which is then detected by a PET or PET / CT gamma (collectively PET camera). These imaging modalities help physicians improve their ability to detect and determine the location, extent and stage of cancer, neurological disorders and cardiac disease. By improving diagnosis, PET scans aid physicians in selecting better courses of treatment, as well as assessing whether treatment is effective or should be changed.

Technegas

The Technegas technology is a structured ultra-fine dispersion of radioactive labeled carbon, produced by using dried Technetium-99m in a carbon crucible, micro furnaced for a few seconds at around 2,500°C. The resultant gaseous substance is inhaled by the patient (lung ventilation) via a breathing apparatus, which then allows multiple views and tomography imaging under a gamma or single photon emission computed tomography (SPECT) camera for the superior diagnosis of pulmonary emboli (blood clots in the lungs).