

cyclopharm

Nuclear Medicine

cyclo**medica**
molecul**ar**imaging
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 towards 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**).

Entitlement trading

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

To sell your entitlements in part or in full please contact your broker. If you do not have a broker, and hold your shares on the Issuer Sponsored Subregister, you may sell your entitlements by completing a standard renunciation and transfer form together with the transferee, and forwarding that completed form, together with the completed Entitlement and Acceptance Form and payment for any rights that the transferee wishes to take up, to the Company's share registry so that they are received by no later than 5.00pm Sydney time Friday 7 December 2012.

Eligible Shareholders

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

The Company has determined that it is unreasonable to make offers to Shareholders other than Eligible Shareholders having regard to the number of Shareholders outside of Australia and New Zealand, the number and value of the shares that would be offered and the cost of complying with legal and regulatory requirements outside of those countries. Accordingly, Shareholders with a registered address in countries other than Australia and New Zealand will not be eligible to participate in the Rights Issue.

Company's capital structure

Share capital	Shares
Shares on issue at 9 November 2012	46,502,731
Maximum shares to be issued under the Rights Issue	11,625,683*
Potential shares on completion of the Rights Issue	58,128,414*

**(Subject to the effects of rounding and the number of acceptances under the pro-rata rights issue)*

Fractional Entitlements

Fractional entitlements will be rounded up to the nearest whole number. Holdings on different registers or sub-registers will not be aggregated to calculate entitlements. Shareholder approval is not required for the Rights Issue.

Acceptances

An offer booklet will be sent to Eligible Shareholders on 23 November 2012 accompanied by a personalised entitlement and acceptance form to subscribe for shares. A copy of the offer booklet will be available on the ASX website at www.asx.com.au and the Company's website at www.cyclopharm.com.au.

Important dates

Event	Date
Announcement of Rights Issue	Friday 9 November 2012
Existing shares quoted 'ex' rights Rights trading commences	Tuesday 13 November 2012
Record date	7.00pm (Sydney time) Monday 19 November 2012
Despatch offer booklet and entitlement and acceptance form to Shareholders Offer opens	Friday 23 November 2012
Rights trading ends	Friday 30 November 2012
Offer closes	5:00pm (Sydney time) Friday 7 December 2012
Issue and allotment of shares 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.

A handwritten signature in blue ink that reads "James McBrayer". The signature is written in a cursive style with a large initial 'J' and 'M'.

James McBrayer
Managing Director
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