

ASX Release

9 November 2006



PharmAust Completes \$2.5M Capital Raising

PharmAust Limited (ASX: PAA) is pleased to announce it has completed a A\$2.5 million (M) capital raising through a Share Purchase Plan and Placement.

Melbourne-based Chimaera Capital Markets were underwriters to the A\$1.25M Share Purchase Plan (SPP) and conjunctual placement of A\$1.25M of shares on a pari passu basis to the SPP, both at 10 cents per share.

PharmAust Managing Director, Dr Paul D'Sylva said: "This additional funding will enable the Company to conclude a number of key transactions in the near term which will be instrumental in creating significant shareholder value."

About PharmAust Limited

PharmAust Limited was listed on the Australian Stock Exchange in December 2004. PharmAust owns three subsidiary companies:

- **PharmAust Manufacturing Pty Ltd** specialises in the manufacture of a range of over-the-counter medicines, hospital supplies and consumer healthcare products.
- **Epichem Pty Ltd** provides synthetic and medicinal chemistry services to the drug discovery and pharmaceutical industries.
- **Mimotopes Pty Ltd** manufactures specialty custom peptides for the global drug discovery and development industries.

Further Comments:

**Mr Paul D'Sylva
Managing Director
PharmAust Limited
P: (08) 9284 8800**

Media Enquiries:

**Sarah Allchurch
Allchurch Communications
P: (08) 9381 6625
M: 0412 346 412**

PharmAust Limited

Level 2, 45 Stirling Highway Nedlands Western Australia 6009 Australia

T: + 61 8 9284 8800 F: + 61 8 9284 8899 E: info@pharmaust.com W: www.pharmaust.com



9 November 2006

The Manager
Company Announcements
Australian Stock Exchange Limited
Via Electronic Lodgement

Dear Sir/Madam

**SECONDARY TRADING NOTICE PURSUANT TO SECTION 708A(5)(e) OF
THE CORPORATIONS ACT 2001**

The Company gives this notice pursuant to section 708A(5)(e) of the Corporations Act 2001 (Cth) (“Act”).

The Company has issued 5,790,000 ordinary fully paid shares (“Shares”) in the capital of the Company as per the Appendix 3B lodged with the ASX today.

The Company advises that the Shares were issued without disclosure to investors under Part 6D.2 of the Act. The Company, as at the date of this notice, has complied with:

- (a) the provisions of Chapter 2M of the Act as they apply to the Company;
and
- (b) section 674 of the Act.

As at the date of this notice there is no information that is excluded information for the purposes of sections 708A(7) and (8) of the Act.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Winton Willesee", with a long horizontal flourish extending to the right.

Winton Willesee
Company Secretary
PharmAust Limited

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

PharmAust Limited

ABN

35 094 006 023

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|--------------------------------------|
| 1 | +Class of +securities issued or to be issued | Ordinary Fully Paid Shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 5,790,000 Ordinary Fully Paid Shares |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Ordinary Fully Paid Shares |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

<p>4 Do the ⁺securities rank equally in all respects from the date of allotment with an existing ⁺class of quoted ⁺securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>Yes</p>						
<p>5 Issue price or consideration</p>	<p>\$0.10 per share</p>						
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Share Purchase Plan to raise working capital</p>						
<p>7 Dates of entering ⁺securities into uncertificated holdings or despatch of certificates</p>	<p>9 November 2006</p>						
<p>8 Number and ⁺class of all ⁺securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Number</th> <th style="text-align: center;">⁺Class</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">103,393,939</td> <td style="text-align: center;">Shares (ASX: PAA)</td> </tr> <tr> <td style="text-align: center;">62,983,110</td> <td style="text-align: center;">Options (ASX: PAAOA)</td> </tr> </tbody> </table>	Number	⁺ Class	103,393,939	Shares (ASX: PAA)	62,983,110	Options (ASX: PAAOA)
Number	⁺ Class						
103,393,939	Shares (ASX: PAA)						
62,983,110	Options (ASX: PAAOA)						

+ See chapter 19 for defined terms.

	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	1,842,402	Options – (PAAAO)
	3,250,000	Options – (PAAEX1)
	6,500,000	Options – (PAAEX2)
10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	The Company does not expect to pay a dividend this period.	

Part 2 - Bonus issue or pro rata issue

11 Is security holder approval required?	
12 Is the issue renounceable or non-renounceable?	
13 Ratio in which the +securities will be offered	
14 +Class of +securities to which the offer relates	
15 +Record date to determine entitlements	
16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	
17 Policy for deciding entitlements in relation to fractions	
18 Names of countries in which the entity has +security holders who will not be sent new issue documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	
19 Closing date for receipt of acceptances or renunciations	

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

- | | | |
|----|---|--|
| 20 | Names of any underwriters | |
| 21 | Amount of any underwriting fee or commission | |
| 22 | Names of any brokers to the issue | |
| 23 | Fee or commission payable to the broker to the issue | |
| 24 | Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders | |
| 25 | If the issue is contingent on +security holders' approval, the date of the meeting | |
| 26 | Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled | |
| 27 | If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders | |
| 28 | Date rights trading will begin (if applicable) | |
| 29 | Date rights trading will end (if applicable) | |
| 30 | How do +security holders sell their entitlements <i>in full</i> through a broker? | |
| 31 | How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance? | |

+ See chapter 19 for defined terms.

32 How do ⁺security holders dispose of their entitlements (except by sale through a broker)?

33 ⁺Despatch date

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) Securities described in Part 1

(b) All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders

36 If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 A copy of any trust deed for the additional ⁺securities

⁺ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

Entities that have ticked box 34(b)

38 Number of securities for which
 +quotation is sought

--

39 Class of +securities for which
 quotation is sought

--

40 Do the +securities rank equally in all
 respects from the date of allotment
 with an existing +class of quoted
 +securities?

If the additional securities do not
 rank equally, please state:

- the date from which they do
- the extent to which they
 participate for the next dividend,
 (in the case of a trust,
 distribution) or interest payment
- the extent to which they do not
 rank equally, other than in
 relation to the next dividend,
 distribution or interest payment

--

41 Reason for request for quotation
 now

Example: In the case of restricted securities, end of
 restriction period

(if issued upon conversion of
 another security, clearly identify that
 other security)

--

	Number	+Class
42 Number and +class of all +securities quoted on ASX (including the securities in clause 38)		

+ See chapter 19 for defined terms.

Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

- 2 We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.

 - There is no reason why those +securities should not be granted +quotation.

 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.

 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here: Date:9 November 2006.....
(~~Director~~/Company secretary)

Print name:Winton Willesee.....

== == == == ==

+ See chapter 19 for defined terms.