



27 September, 2007

The Manager
Company Announcements
Australian Stock Exchange Limited
Via Electronic Lodgement

Dear Sir/Madam

TGA Approves PharmAust Pain Relief Medicines

PharmAust Limited (ASX: PAA) has received approval to produce and market its own generic versions of the well known pain medicines Paracetamol and Ibuprofen from the Therapeutic Goods Administration (TGA).

PharmAust-branded Paracetamol will join its other pain relief product the anti inflammatory Ibuprofen in a family of branded analgesics aimed at the retail pharmacy and retail grocery sectors. The current market for simple pain relief medicines is worth \$500 million per annum in Australia.

PharmAust Paracetamol and Ibuprofen now joins the company's existing suite of personal healthcare and over-the-counter (OTC) products, adding considerable value to the Company's product portfolio.

Marketing efforts will initially focus on retail pharmacy, where barriers to entry are lower and where the products can leverage off PharmAust's growing catalogue of healthcare products for the Australian market..

PharmAust will also work hard to win contracts to supply 'own brand' Ibuprofen and Paracetamol for Australia's large grocery retailers and will also look to produce versions of both drugs for institutional markets, allowing it to supply the analgesics into hospitals and retirement homes.

The Directors believe that this further development, within the recent hostile environment, underlines the potential of the Company's pharmaceutical business given appropriate capital and focused management. Recent suggestions from specific shareholder groups that their interests would be better served by the 'break-up' of assets greatly under appreciate the potential of the business.

Notwithstanding the legal proceedings announced recently, the Directors confirm their commitment to review and develop the Company's operations for the benefit of all shareholders.

About PharmAust Limited

PharmAust Limited (ASX: PAA) is an Australian-owned diversified business focused on the manufacture and distribution of pharmaceutical & healthcare products and the provision of contract chemistry and drug discovery services. Web: www.pharmaust.com

PharmAust Manufacturing Pty Ltd (PharmAust 100%) manufactures and markets therapeutic and non-therapeutic pharmaceutical products for Australian and overseas markets.

Epichem Pty Ltd (PharmAust 100%) provides contract chemistry services alongside its own intellectual property-generating research activities.

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