



14 June, 2008

The Manager
Company Announcements
Australian Stock Exchange Limited
Via Electronic Lodgement

Dear Sir/Madam

**ANZ / CHIMAERA CAPITAL / PRIMEBROKER SECURITIES
FURTHER UPDATE**

Following on from PharmAust Limited's (the "Company") earlier announcement on this matter, the Company would like to remind the market that the shares held by Primebroker Securities Limited ("Primebroker") were originally acquired by Chimaera Capital Limited by way of an equity investment in the Company and subsequent participation in the Company's Entitlements Issue of October 2007.

The Company assumes that these shares were transferred to Primebroker by way of additional collateral for arrangements between Primebroker and ANZ, but reiterates that the shares have never, to the best knowledge of the Company, been the subject of any margin lending arrangements, whether by the Directors of the Company or any other party.

Yours sincerely,

A handwritten signature in black ink, appearing to be "S. Wright", written in a cursive style.

Sam Wright
Company Secretary