

ASX Release

16th March 2015

PHARMAUST COMPLETES \$3.14 MILLION SHARE PLACEMENT OVERSUBSCRIBED

PharmAust Limited ("PharmAust") (ASX: PAA & PAAO) is pleased to report that it has successfully raised \$3.14 million through the issue of 400 million new ordinary shares at \$0.00785 per share to sophisticated and professional investors through lead manager, Blue Ocean Equities. The initial placement will be under PharmAust's existing placement capacity with the remainder to be placed following a PharmAust shareholders meeting to be held in the near future. The raising was oversubscribed.

The new capital will primarily be directed towards:

1. Accelerating the completion of PharmAust's Phase I/II clinical trial at the Royal Adelaide Hospital following the recent demonstration of a successful reduction of a key cancer marker (P70S6K) in patients receiving PPL-1. Two further centres have now agreed in principle to join PharmAust's trial and recruit patients subject to approval by the Royal Adelaide Hospital Ethics Committee and Governance Committee respectively.
2. Initiating a Phase II trial to investigate the use of PPL-1 in conjunction with chemotherapy "Standard of Care" in patients with cancer. PharmAust has previously reported to shareholders that PPL-1 synergises with chemotherapy resulting in substantial enhancement of the anticancer activities of cytotoxic cancer drugs (announced to shareholders 17th February 2014). Furthermore, the enhancement of the anticancer activity of chemotherapeutic drugs by PPL-1 was without the apparent concomitant enhancement of toxicity to normal tissues. The toxicity associated with chemotherapy is one of the key limiting challenges in the treatment of cancer patients, particularly during drug-resistance when elevated doses of anticancer drugs are required. This trial will be subject to approvals from relevant hospital ethics committees and authorities.
3. Epichem has identified a suitable building at Technology Park (next to Curtin University) which could be fitted out with a laboratory of sufficient size to enable significant growth. It is envisaged that the proposed facility will remove the existing capacity constraints and enable significant growth in revenues and profitability at Epichem.

PharmAust's Executive Chairman Dr Roger Aston said "We are delighted by the overwhelming interest received for the Placement and appreciate the support from both new and existing shareholders. The placement was targeted to investors and institutions that recognise the potential of PharmAust's oncology programmes and, as such, has helped us to build a stronger register. Furthermore, the strong signal of support from new shareholders reflects the ongoing endorsement of PharmAust's assets and business strategy. We look forward to delivering value by expediting our clinical development programmes and by enhancing revenues from Epichem to our 5-year target of \$10 million per annum."

For further details please contact:

Dr Roger Aston
Executive Chairman
PharmAust Limited
Tel: 0402 762 204
www.pharmaust.com