



ASX Release

STATEMENT OF CLAIM FROM TRANSOCEAN SECURITIES

Sydney, Monday 21 November 2016

Memphasys Limited (ASX: MEM) announces that it has received a Statement of Claim from Transocean Securities Pty Ltd. ("Transocean"). Transocean were former corporate advisors to Memphasys. Memphasys terminated the mandate on 26 August 2016 for cause and appointed new corporate advisors, Platinum Road Pty Ltd, as announced on 20 September 2016.

Transocean is claiming that Memphasys did not have the right to terminate its mandate and appoint Platinum Road Pty Ltd as it had an exclusivity arrangement with Transocean.

Memphasys made a demand on 28 July 2016 for a refund of net fees charged for underwriting fees wrongly charged by Transocean. Transocean claims it was entitled to charge a 7% underwriting and coordination fee to convert debt previously provided by directors and the rights take up into equity.

Transocean is now seeking to recover damages, including the value of the monthly retainer between April 2016 and December 2017; 50 million Underwriter Options and fees that would have been earned by Transocean on subsequent funding.

Memphasys has sought to settle the matter expeditiously and has made various offers of settlement in order to avoid litigation, without any admission of liability, however it has not reached agreement. It continues to be in negotiations in the hope of settling the matter. Memphasys will vigorously defend the claims by Transocean and will be filing a defence and counterclaim in due course.

For further information please contact:

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About Memphasys

Memphasys Limited (**ASX: MEM**) specialises in biological separations for high value commercial applications. The Company's patented membrane processes in combination with electrophoresis, the application of an electrical potential difference across a fluid, enable the separation of high value substances or contaminants from the fluid in which they are contained.

The main application of the technology is the separation of the most viable sperm cells for artificial reproduction, most particularly for human IVF.

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