

Form 603
Corporations Act 2001
Section 671B

Notice of initial substantial holder

To Company Name/Scheme Circadian Technologies Limited

ACN/ARSN 006 340 567

1. Details of substantial holder (1)

Name Biotechnology Value Fund L.P., BVF Partners LP on its own behalf and on behalf of BVF Inc. and Mark N. Lampert

ACN/ARSN (if applicable) _____

The holder became a substantial holder on 19/11/2014

2. Details of voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Person's votes (5)	Voting power (6)
Ordinary Fully Paid Shares	19,428,572	19,428,572	13.12%

3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
BVF Partners LP	Relevant interest arises under section 608(1)(b) of the Corporations Act 2001 (Cth) (Corporations Act) by virtue of BVF Partners LP (i) acting as general partner of, and (ii) acting as investment manager of, respectively, the registered holders of the securities, whereby it holds the authority to cast votes in respect of the securities.	19,428,572 fully paid ordinary shares
BVF Inc. and Mark N. Lampert	Relevant interest arises under section 608(3)(b) of the Corporations Act as each of BVF Inc. and Mark N. Lampert controls BVF Partners LP	19,428,572 fully paid ordinary shares
Biotechnology Value Fund, L.P.	Relevant interest arises under section 608(1)(a) of the Corporations Act as holder of the securities, such securities having been issued to the holder under a share placement agreement a copy of which is attached to this notice as Annexure A.	8,990,281 fully paid ordinary shares
Biotechnology Value Fund II, L.P.	Relevant interest arises under section 608(1)(a) of the Corporations Act as holder of the securities, such securities having been issued to the holder under a share placement agreement a copy of which is attached to this notice as Annexure B.	4,643,988 fully paid ordinary shares
Investment 10 LLC	Relevant interest arises under section 608(1)(a) of the Corporations Act as holder of the securities, such securities having been issued to the holder under a share placement agreement a copy of which is attached to this notice as Annexure C.	2,500,186 fully paid ordinary shares
MSI BVF SPV, LLC	Relevant interest arises under section 608(1)(a) of the Corporations Act as holder of the securities, such securities having been issued to the holder under a share placement agreement a copy of which is attached to this notice as Annexure D..	3,294,117 fully paid ordinary shares

4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities
BVF Partners LP, BVF Inc. and Mark N. Lampert, Biotechnology Value Fund, L.P.	Biotechnology Value Fund, L.P.	Biotechnology Value Fund, L.P.	8,990,281 fully paid ordinary shares
BVF Partners LP, BVF Inc. and Mark N. Lampert, Biotechnology Value Fund II, L.P.	Biotechnology Value Fund II, L.P.	Biotechnology Value Fund II, L.P.	4,643,988 fully paid ordinary shares
BVF Partners LP, BVF Inc. and Mark N. Lampert, Investment 10 LLC	Investment 10 LLC	Investment 10 LLC	2,500,186 fully paid ordinary shares
BVF Partners LP, BVF Inc. and Mark N. Lampert, MSI BVF SPV, LLC	MSI BVF SPV, LLC	MSI BVF SPV, LLC	3,294,117 fully paid ordinary shares

5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration (9)	Class and number of securities
BVF Partners LP	19/11/2014	N/A – deemed relevant interest	19,428,572 fully paid ordinary shares
BVF Inc. and Mark N. Lampert	19/11/2014	N/A – deemed relevant interest	19,428,572 fully paid ordinary shares
Biotechnology Value Fund, L.P.	19/11/2014	\$1,573,299.18 (being \$0.175 per share under a share placement)	8,990,281 fully paid ordinary shares
Biotechnology Value Fund II, L.P.	19/11/2014	\$812,697.90 (being \$0.175 per share under a share placement)	4,643,988 fully paid ordinary shares
Investment 10 LLC	19/11/2014	\$437,532.55 (being \$0.175 per share under a share placement)	2,500,186 fully paid ordinary shares
MSI BVF SPV, LLC	19/11/2014	\$576,470.47 (being \$0.175 per share under a share placement)	3,294,117 fully paid ordinary shares

6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:


Name and ACN/ARSN (if applicable)	Nature of association
N/A	

7. Addresses

The addresses of persons named in this form are as follows:

Name	Address
BVF Partners LP Biotechnology Value Fund, L.P. Biotechnology Value Fund II, L.P. BVF Inc.	One Sansome Street, 30 th Floor San Francisco, California 94104 United States of America
Investment 10 LLC	900 North Michigan Avenue, Suite 1100 Chicago, Illinois 60611 United States of America
MSI BVF SPV, LLC	c/o Magnitude Capital, L.L.C. 601 Lexington Avenue, 59 th Floor New York, NY 10022
Mark N. Lampert	Care of BVF Inc One Sansome Street, 30 th Floor San Francisco, California 94104 United States of America

Signature

print name	BVF Partners, LP, BY BVF Inc., its general partner, BY Mark N. Lampert, President	capacity	General Partner and Attorney-in-Fact for the Substantial Holders
sign here		date	24/11/2014

DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
- (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (7) Include details of:
 - (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown."

- (9) Details of the consideration must include any and all benefits, moneys and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.
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Annexure A – Biotechnology Value Fund, L.P Placement Subscription Letter

1 October 2014

Biotechnology Value Fund, L.P
Attn: Michael Murray
Email: murray@bvflp.com

Dear Sir / Madam,

Placement of ordinary shares in Circadian Technologies Limited ("Circadian" or the "Company")

1. INTRODUCTION

Circadian is proposing to undertake a private placement of new fully paid ordinary shares ("**Shares**") on the terms set out in this letter ("**Placement**").

Circadian has mandated Bell Potter Securities Limited ("**Bell Potter**") to act as lead manager and bookrunner ("**Lead Manager**") to the Placement to eligible institutional and sophisticated investors in Australia and overseas. The Company is seeking to raise between A\$12.5 to A\$14.0m by way of placement of between 71.4m to 80.0m Shares ("**Placement Shares**") at A\$0.175 per Placement Share ("**Placement Price**") under the Placement. In addition the Company will conduct a Non-Renounceable 2 for 5 Entitlement Offer at A\$0.175 to eligible shareholders to raise up to A\$3.4m ("**Entitlement Shares**"). Investors issued with the Placement Shares and Entitlement Shares will also be issued with options over fully paid ordinary shares in the Company on a 1:2 basis ("**Options**"). The Options will be issued at nil issue price and are exercisable any time until 25 November 2018 at an exercise price of A\$0.27 per Option. Subject to receipt of approval from the Australian Securities Exchange ("**ASX**"), the Company intends to seek quotation of the Options on the official list of ASX.

The issue of the Placement Securities Shares is conditional on the Company receiving shareholder approval under ASX Listing Rule 7.1 at the Annual General Meeting ("**Meeting**") which is expected to be held on or around Tuesday 18 November 2014 ("**Condition**").

Circadian is pleased to confirm acceptance of your offer to subscribe for Placement Shares (and accompanying Options) under the Placement on the terms set out in this letter. Your acceptance of this offer to subscribe for Placement Shares (and accompanying Options) gives rise to a binding and irrevocable agreement by you to subscribe for and acquire the number of Placement Shares (and accompanying Options) specified in the table in Section 3 below and pay the application monies in accordance with the settlement instructions set out in this letter.

2. DETAILS OF THE PLACEMENT

The following are the principal details of the Placement:

Amount of Placement	A\$12.5 to A\$14.0 million
Placement Shares	Approximately 71.4m to 80.0m Shares in the Company to be issued subject to shareholder approval under ASX Listing Rule 7.1 at the upcoming Annual General Meeting on or around 18 November 2014.
Placement Price	A\$0.175 per Placement Share. The Options will be issued on a 1:2 basis for nil consideration.
Eligibility To Entitlement Offer	Placement Shares (and accompanying Options) <u>will not</u> be eligible to participate in the Entitlement Offer.
Use of Proceeds	<p>IND Filed:</p> <p>The following activities must be completed to support IND filing:</p> <ul style="list-style-type: none"> - Scale up & manufacture of OPT-302 drug product - Fill-finish of drug product (single use vials, suitable for ocular admin) - Preclinical safety/toxicology testing and pharmacokinetic studies (including studies in non-human primates) - Bioanalytical method development and analysis of samples from safety/tox program - Phase I clinical planning, obtaining regulatory and ethics approval (incl FDA and clinical site preparation and principle investigator selection) <p>Phase I Clinical Study Complete:</p> <ul style="list-style-type: none"> - Clinical site/s ethics approval, site audits, set-up - Patient recruitment, OPT-302 dosing and follow up - Data analysis and statistical evaluation of dose ascending cohorts - To establish safety/tolerability in humans, inform dose selection for Ph II, PH/biomarker information, early indicators and efficacy <p>Phase I/IIa (Dose Expansion) Clinical Study Complete:</p> <ul style="list-style-type: none"> - Management of patient recruitment, dosing and data analysis for dose expansion cohorts - Data provides additional safety/tolerability information and additional opportunity to demonstrate therapeutic efficacy <p>Phase II (Proof of Concept)</p> <ul style="list-style-type: none"> - Phase II Clinical site/s ethics approval, site audits, set-up - Patient recruitment, OPT-302 dosing and follow-up - Data analysis and statistical evaluation and randomised arms - Trial to generate proof of concept efficacy data, statistically powered, randomised, controlled <p>Working Capital</p> <ul style="list-style-type: none"> - General working capital requirements

The Placement will be made available to Australian investors who qualify as professional or sophisticated investors under the requirements of sections 9 and 708 of the Corporations Act 2001 (Cth) (the "**Corporations Act**") so that the offer and issue of Placement Shares does not require disclosure under Chapter 6D of the Corporations Act and to international investors (outside the US) who fall within a relevant exemption from disclosure in the applicable jurisdiction ("**Participants**").



The Options will be issued to all investors via a reduced content prospectus pursuant to section 713 of the Corporations Act ("**Prospectus**"). The Prospectus will be sent to investors under the Placement on or around Monday 20 October 2014 for information purposes only.

With respect to investors in the United States, this Placement will be made available to (a) "accredited investors" as that term is defined in Rule 501(a)(1), (a)(2), (a)(3), (a)(7) or (a)(8) of Regulation D as promulgated by the United States Securities and Exchange Commission (the "**SEC**") under the Securities Act of 1933, as amended (the "**US Securities Act**") and (b) "qualified institutional buyers" as that term is defined in Rule 144A(a) under the US Securities Act.

The information in this letter is confidential and is subject to any confidentiality obligations you have agreed with Bell Potter or the Company.

Bell Potter will act as the settlement agent on behalf of all participants.

3. PLACEMENT OFFER

We are pleased to have accepted your firm and irrevocable allocation of Placement Shares (and accompanying Options) ("**Allocation**"), as detailed in the table below.

Applicant: Biotechnology Value Fund, L.P.

ISSUE PRICE	QUANTITY (Shares)	SUBSCRIPTION AMOUNT (\$A)	SETTLEMENT DATE
A\$0.175 per Placement Share	8,990,280	A\$1,573,299.00	Monday 24 November
Free accompanying Options	4,495,140	Nil	N/A

By signing and returning the attached Confirmation Advice you are confirming your irrevocable agreement to apply for the allotment and issue to you of the number of Placement Shares (and accompanying Options) set out above on the terms set out in this letter without the need for any separate instrument of application by you.

Upon receipt of your signed Confirmation Advice, the Company agrees to allot and issue to you the number of Placement Shares (and accompanying Options) set out above on a delivery versus payment ("**DvP**") basis.

Upon the allotment of Placement Shares (and accompanying Options) to you, you:

- (a) accept the Placement Shares (and accompanying Options) issued to you on the terms of the offer as set out in this letter;
- (b) agree to be bound by the Company's constitution; and
- (c) authorise your name to be placed on the register of members of the Company as the legal owner of the Placement Shares (and accompanying Options) issued to you.

By signing and returning the attached Confirmation Advice, you acknowledge that the Placement Shares (and accompanying Options) have not been and will not be registered under the United States Securities Act of 1933, as amended (the "US Securities Act") or the laws of any state or jurisdiction in the United States, and therefore you covenant and agree not to offer, sell, pledge, transfer or

otherwise dispose of the Placement Shares (and accompanying Options) except as permitted under the US Securities Act pursuant to registration or to an exemption from registration.

4. INDICATIVE TIMETABLE

The **indicative** timetable for the Placement is as follows:

Event	Date
Proposed capital raising announced on the ASX	Monday 6 October 2014
Record date for Entitlement Offer	Wednesday 15 October 2014
AGM notice dispatched with Prospectus and Entitlement Offer documentation to existing shareholders and dispatch of Prospectus to Placement investors (for information purposes only)	Monday 20 October 2014
Annual General Meeting to approve Placement	Tuesday 18 November 2014
Placement settlement via DvP	Monday 24 November 2014
Placement Shares and accompanying Options allotment date	Tuesday 25 November 2014

Note:

1. The above timetable is indicative only and may change without consultation with you and subject to the terms of this letter, you are bound by the agreement arising from your acceptance of this offer notwithstanding any such changes to the timetable.

2. All times above are references to Melbourne, Australia (AEST) time.

The Company reserves the right not to proceed with the Placement or any part of it at any time before the allotment of Placement Shares (and accompanying Options) to you. If the Placement or any part of it does not proceed or is cancelled, all relevant subscription monies relating to the cancelled part of the Placement will be refunded (without interest).

5. RIGHTS ATTACHING TO THE PLACEMENT SHARES

The Company has warranted to the Lead Manager that the Placement Shares will be fully paid, validly issued and will rank equally in all respects with existing Shares from allotment. However, it should be noted that allotment occurs after the Entitlement Offer record date. As such Placement Shares (and accompanying Options) will not be eligible to participate in the Entitlement Offer. The Company has agreed to apply to ASX for official quotation of the Placement Shares on ASX. The Company also intends to seek quotation of the Options on the official list of ASX but no guarantee is provided that ASX will grant such quotation. Please note that Market Participants (as defined in the ASX Market Rules) cannot deal in the Placement Shares (and accompanying Options) either as principal or agent until official quotation is granted in respect of the Placement Shares (and accompanying Options). The Company has represented and warranted to the Lead Manager that:

- (a) the offer of the Placement Shares will be undertaken in compliance with section 708A of the Corporations Act and the Company is not aware of any condition or requirement of such provision that it will not be able to satisfy for the purposes of the Placement;
- (b) no ASIC determination under subsections 708A(2) is in force in relation to the Company; and
- (c) it is not issuing the Placement Shares with the purpose of the persons to whom they are issued selling or transferring the securities, or granting, issuing or transferring interest in or options or warrants over them.

You should inform yourself as to the terms of sections 707, 708, and 708A of the Corporations Act (which may affect your ability to resell your Placement Shares).

6. ALLOCATION PERSONAL

As you have made an irrevocable offer to subscribe for Placement Shares (and accompanying Options), those Placement Shares (and accompanying Options) will be issued to you personally and you may not, prior to official quotation of the Placement Shares, (and accompanying Options) assign, transfer, or in any other manner, deal with your rights or obligations under this letter, without the prior written agreement of the Lead Manager. Where you accepted the offer of Placement Shares (and accompanying Options) on behalf of your clients you must ensure that any such client performs its obligations herein.

7. COMMISSION

No commission is payable to you in relation to the Placement.

No additional brokerage or commission will be payable to you in respect of applications for the Placement Shares (and accompanying Options) which also bear a broker's or dealer's certification stamp.

You must pay your own costs in connection with the Placement.

8. TERMINATION

If the Placement does not proceed for any reason or Circadian or Bell Potter terminates its obligations under the Placement (for whatever reason), this letter will also terminate immediately without any obligation to you on the part of the Company. You have no right of termination of the obligations set out in this letter. Your liability under this letter will cease only when you lodge valid application(s) and pay for your Allocation.

9. REPRESENTATIONS, WARRANTIES AND AGREEMENTS

By submitting an irrevocable offer to subscribe for Placement Shares (and accompanying Options), signing and returning the attached Confirmation Advice to the Company, or accepting the issue of Placement Shares (and accompanying Options) you represent, warrant, acknowledge and agree for the benefit of the Company and Bell Potter and their respective related bodies corporate and any directors, officers, employees, agents or advisers of any of them ("**Affiliates**") that:

- (a) you have received, read and understood, and agree to be bound by and confirm your compliance with applicable provisions of this letter, and any documents or forms attached to this letter;
- (b) the acknowledgements, representations, warranties and agreements in this letter, your executed Confirmation Advice, are true and correct with respect to you, your nominated custodian and any person on whose behalf you are acquiring Placement Shares (and accompanying Options);
- (c) you have the power and authority to enter into and perform your obligations set out in this letter and that neither your Allocation nor the performance by you of your obligations will breach any applicable law;
- (d) your Allocation to subscribe for your allocation of Placement Shares (and accompanying Options) is binding and irrevocable and you will subscribe for, and provide the relevant application monies for, up to the number of Placement Shares specified on your Confirmation Advice if and when called upon by the Company to do so. The provision of the Prospectus (which deals in part with the issue of the Options) to you is strictly for information purposes

only and your irrevocable and binding acceptance of the offer as evidenced by the return of your executed Confirmation Advice is not subject in any way to receipt of the Prospectus or your approval of the Prospectus;

- (e) if you are in Australia you are a "Sophisticated Investor" under section 708(8) of the Corporations Act or a "Professional Investor" under section 708(11) of the Corporations Act and that the Placement Shares (and accompanying Options) were offered to you on the basis that you are and represent that you are a person to whom a prospectus or other disclosure document is not required to be given under Chapter 6D of the Corporations Act in respect of the Placement Shares;
- (f) if you are outside Australia, you are a person to whom an invitation or offer to subscribe for and purchase Placement Shares (and accompanying Options) in the manner contemplated by this letter is permitted by the laws of the jurisdiction in which you are situated, and to whom Placement Shares (and accompanying Options) can lawfully be issued under all applicable laws, without the need for any registration, filing or lodgement. This letter does not constitute an offer to subscribe for Placement Shares (and accompanying Options) in any jurisdiction in which, or to any person to whom, such an offer would be illegal;
- (g) you and each other person, if any, for whose account you are acquiring any Placement Shares (and accompanying Options) have conducted and relied upon your own investigation and assessment of, and have sought any advice you deem necessary from your own advisors regarding, the offer of Placement Shares (and accompanying Options), the Placement Shares (and accompanying Options) and the Company including, without limitation, the particular Australian and United States federal income tax consequences of the offer of Placement Shares (and accompanying Options) and the purchase, ownership, and disposition of the Placement Shares (and accompanying Options) of the Company and the Placement Shares (and accompanying Options) in light of your particular situation as well as any consequences arising under the laws of any other taxing jurisdiction, and, in particular, you have made and relied entirely upon your own assessment as to whether, and the consequences to you if, the issuer of the Placement Shares (and accompanying Options) has been, is, continues to be, or becomes a "passive foreign investment company" ("PFIC") (as defined in Section 1297 of the United States Internal Revenue Code of 1986) for United States federal income tax purposes, and you acknowledge that you have not relied and will not rely to any degree upon, the Company, Bell Potter or any of their respective representatives or affiliates for advice as to any tax consequences related to such investment, or the offer of Placement Shares (and accompanying Options), or the purchase, ownership or disposition of the issuer's ordinary shares, including the Placement Shares (and accompanying Options), or for the preparation and filing of any tax returns and elections required or permitted to be filed by you in connection therewith;
- (h) you are aware that no analysis has been undertaken to determine if Circadian is, or whether, after giving effect to the sale of the Placement Shares (and accompanying Options) (and any contemporaneous sales of securities of Circadian), will be, or will be required to register as, an "investment company" as defined in the United States Investment Company Act of 1940, as amended, and the rules and regulations promulgated thereunder, and you understand that if Circadian were determined to be an investment company, this could adversely affect the price of the Placement Shares (and accompanying Options) and could have a material adverse effect on business;
- (i) you are in compliance with all relevant laws and regulations and will not cease to be in compliance if you apply for Placement Shares (and accompanying Options) on the terms set out in this letter;
- (j) you are not subscribing for Placement Shares (and accompanying Options) for the purpose of selling or transferring the Placement Shares (and accompanying Options) issued to you or granting, issuing or transferring interests in, or options over the Placement Shares (and

accompanying Options) within 12 months after their date of issue. This confirmation is understood to be a statement of present intention only but not an undertaking not to sell, particularly where your investment objectives or market conditions change;

- (k) no disclosure document has been prepared under the Corporations Act in connection with the offer of the Placement Shares;
- (l) you are aware that section 708A(5) of the Corporations Act may not apply to an offer of the Placement Shares for re-sale in the event that the Company does not satisfy the requirements under subsection 708A(5) or the notice given under subsection 708A(5)(e) does not comply with subsection 708A(6) and, in that case, an offer to sell your Placement Shares within 12 months after they are issued will require disclosure under section 707(3) of the Corporations Act, unless an exception applies. In such circumstances, the Company will use its best endeavours to either release a disclosure document within 45 days of the allotment of the relevant Placement Shares in accordance with section 707(3) of the Corporations Act or delay settlement of the relevant Placement Shares for a period of no more than ten business days to allow the Company to release to the market any price sensitive information required to be released prior to the Company lodging a notice in accordance with subsection 708A(5)(e) of the Corporations Act;
- (m) in exercising or refraining from exercising any rights, Circadian, Bell Potter (where applicable) may have sole regard to its own interest, even if that is contrary to your interests. You agree to release Circadian and Bell Potter from any claim of any kind against it arising or resulting from the exercise or non-exercise by Circadian or Bell Potter of any such rights;
- (n) you will ensure that neither you nor any of your Affiliates involved in the Placement makes any formal or informal public statement, direct or indirect, on any matter associated with the Placement which has not been cleared and agreed in advance with the Company and Bell Potter;
- (o) you have such knowledge and experience in financial and business matters that you are capable of evaluating the merits and risks of a subscription for Placement Shares (and accompanying Options), and that an investment in Placement Shares (and accompanying Options) involves a degree of risk;
- (p) you have the financial ability to bear the economic risk of an investment in Placement Shares (and accompanying Options);
- (q) Bell Potter and its Affiliates do not make any warranty or representation as to the accuracy of any information given to you and do not accept any responsibility and exclude and disclaim all liability, except as may not be capable of being excluded by law, for any expense, loss, damage or cost that may be incurred by you or any other person as a result of that information being inaccurate or incomplete in any way for any reason or for any action taken by you on the basis of such information;
- (r) you are aware that publicly available information about Circadian can be obtained from ASX (including its web site <http://www.asx.com.au>) and that certain publicly available information about Circadian can be obtained free of charge from Circadian web site: www.Circadian.com.au;
- (s) you have had access to all information that you believe is necessary or appropriate in connection with your application for Placement Shares (and accompanying Options) and the Placement. You acknowledge and agree that you will not hold Circadian, Bell Potter or any of their Affiliates responsible for any misstatements in, or omissions from, any publicly available information concerning Circadian, the Placement Shares (and accompanying Options) or the Placement;

- (t) you have made and relied upon your own assessment of Circadian and have conducted your own investigation with respect to the Placement Shares (and accompanying Options) and Circadian including, without limitation, the particular tax consequences of subscribing, owning or disposing of Placement Shares (and accompanying Options) in light of your particular situation as well as any consequences arising under the laws of any other taxing jurisdiction, and decided to participate based on your own enquiries, professional advice, and not in reliance upon any act or representation made by Bell Potter;
- (u) you have not relied on any representations made by Circadian, Bell Potter, or any of their Affiliates except as set out in this letter;
- (v) you have not relied on any investigation or research that Bell Potter or any of its Affiliates or any persons acting on its behalf may have conducted with respect to the Placement Shares (and accompanying Options) or Circadian. None of such persons has made any representation to you, express or implied, with respect to the Placement Shares (and accompanying Options) or Circadian;
- (w) this letter does not constitute a securities recommendation or financial product advice and that Circadian and Bell Potter have not considered your particular objectives, financial situation and needs;
- (x) to be bound by the provisions of the constitution of Circadian and the terms of the Options (as set out in the Prospectus) upon allotment of Placement Shares (and accompanying Options) to you. A draft copy of the terms of the Options is attached to this letter strictly for information purposes only and you should note that the terms of the Options are subject to ASX approval and may be changed at the absolute discretion of the Company and without prior notification to you at any time until the Options are issued to you;
- (y) except to the extent that liability cannot by law be excluded, that none of Bell Potter, Circadian or any of their Affiliates, accept any responsibility in relation to the Placement;
- (z) you are not a Related Party (as defined in section 228 of the Corporations Act or treated as such for the purposes of ASX Listing Rule 10.11) of Circadian;
- (aa) you acknowledge and agree that, in order to ensure that US Persons do not purchase any Placement Shares (and accompanying Options) issued to you, a number of procedures governing the trading and clearing of Placement Shares (and accompanying Options) will be implemented, including the application to Placement Shares (and accompanying Options) of the status of Foreign Ownership Restriction (FOR) securities under the ASX Settlement Operating Rules and the addition of the notation "FORUS" to the Placement Share (and accompanying Options) description on ASX trading screens and elsewhere, which will inform the market of the prohibition on US Persons acquiring Shares;
- (bb) if you fail to meet any obligation to apply for all or part of your Allocation by the time required by this letter, Bell Potter may without notice to you apply (or procure on terms that a third party applies) for those Placement Shares (and accompanying Options) and in addition to any other obligations under this agreement you indemnify Bell Potter for any cost or loss associated with so doing (including any loss on sale of those Placement Shares (and accompanying Options) within 6 months of application);
- (cc) the Company is not issuing Placement Shares (and accompanying Options) for the purpose of you selling or transferring them (or granting, issuing or transferring interests in, or options over, them);
- (dd) any issue of Placement Shares (and accompanying Options) to you pursuant to your Allocation is subject to the completion of the Placement;

- (ee) if you are a financial services licensee (as defined in the Corporations Act) that intends to allocate the Placement Shares (and accompanying Options) to persons prior to settlement, each person that receives an allocation of Securities is a "sophisticated investor" or "professional investor" within the meaning of section 708 of the Corporations Act and that you have appropriate records to evidence this;
- (ff) if you are acquiring any Placement Shares (and accompanying Options) for the account of one or more investors, you have the authority to make the representations, warranties, acknowledgements and agreements herein on behalf of each such investor and you will take reasonable steps to ensure that any such investor will comply with their obligations as you have agreed for them;
- (gg) the offer and sale to you of the Placement Shares (and accompanying Options) has not been and will not be registered under the US Securities Act or the laws of any state or other jurisdiction in the US except as permitted under the US Securities Act pursuant to registration or to an exemption from registration. Therefore, you agree that you may not and will not offer, sell, pledge, transfer or otherwise dispose of any Placement Shares (and accompanying Options) in the US or for the account or benefit of a US Person (as defined in Regulation S of the US Securities Act) ("**US Person**") unless and until the Placement Shares (and accompanying Options) are registered under the US Securities Act (which you acknowledge Circadian has no obligation to do) or offered, sold, pledged, transferred or otherwise disposed of in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act or the laws of any state or other jurisdiction in the US;
- (hh) you will not engage in hedging transactions with regard to the Placement Shares (and accompanying Options); and
- (ii) Circadian, Bell Potter and their Affiliates will rely upon the truth and accuracy of the foregoing acknowledgments, representations, warranties and agreements and agree that if any such acknowledgments, representations or warranties are no longer accurate, you will notify Circadian and Bell Potter immediately. You unconditionally and irrevocably indemnify Circadian, Bell Potter and their Affiliates against any claims, demands, loss, damages, costs, expenses and liabilities suffered or incurred directly or indirectly and arising out of or in relation to any breach by you of the acknowledgments, representations, warranties and agreements under this letter. If you have material non-public information regarding the Company, insider trading restrictions may apply to you, and that you will not, and will not cause any other person to, acquire any of the Company's securities after you have had access to material non-public information if doing so would be a breach of insider trading restrictions.
- (jj) If you are an entity, you are an entity duly organized, validly existing and in good standing under the laws of the jurisdiction of your organization with full right, corporate or partnership power and authority to enter into and to consummate the transactions contemplated by this letter and otherwise to carry out your obligations hereunder and thereunder. The execution and delivery of this letter and performance by you of the transactions contemplated by this letter have been duly authorized by all necessary corporate or similar action on your part. Each document relating to the transactions contemplated by this letter to which you are a party has been duly executed by you, and when delivered by you in accordance with the terms hereof, will constitute the valid and legally binding obligation, enforceable against you in accordance with its terms, except: (i) as limited by general equitable principles and applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors' rights generally, (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies and (iii) insofar as indemnification and contribution provisions may be limited by applicable law;
- (kk) if you are a US Person, you are acquiring the Placement Shares (and accompanying Options) as principal for your own account have no direct or indirect arrangement or understandings



with any other persons to distribute or regarding the distribution of such Placement Shares (and accompanying Options) (this representation and warranty not limiting your right to sell the Placement Shares (and accompanying Options) pursuant to a Registration Statement or otherwise in compliance with applicable United States federal and state securities laws) in violation of the US Securities Act or any applicable state securities law. You are acquiring the Placement Shares (and accompanying Options) hereunder in the ordinary course of your business;

- (ll) if you are a US Person, at the time you were offered the Placement Shares (and accompanying Options), you were, and as of the date hereof you are: (i) an "accredited investor" as defined in Rule 501(a)(1), (a)(2), (a)(3), (a)(7) or (a)(8) under the US Securities Act or (ii) a "qualified institutional buyer" as defined in Rule 144A(a) under the US Securities Act;
- (mm) if you are a US Person, you, either alone or together with your representatives, have such knowledge, sophistication and experience in business and financial matters so as to be capable of evaluating the merits and risks of the prospective investment in the Placement Shares (and accompanying Options), and have so evaluated the merits and risks of such investment. You are able to bear the economic risk of an investment in the Placement Shares (and accompanying Options) and, at the present time, are able to afford a complete loss of such investment; and
- (nn) if you are a US Person, you acknowledge and agree that you are acting solely in the capacity of an arm's length purchaser with respect to the documents relating to the transactions contemplated by this letter and with respect to such transactions. You also acknowledge that you are not acting as a financial advisor or fiduciary of the Company (or in any similar capacity) with respect to the documents relating to the transactions contemplated by this letter and with respect to such transactions and any advice given by you or any of your respective representatives or agents in connection with the documents relating to the transactions contemplated by this letter and with respect to such transactions is merely incidental to your purchase of the Placement Shares (and accompanying Options).

The investor further acknowledges and agrees that the Company will hold the benefit of each of the representations, warranties, conditions and undertakings given by the investor in this letter on behalf, and for the benefit of Bell Potter.

10. SETTLEMENT

Please complete the **Confirmation Advice** attached, confirming your binding, irrevocable and unconditional acceptance of the offer of Placement Shares (and accompanying Options) and your investor registration details, and return it to Bell Potter by facsimile or email by no later than 9:00AM Melbourne time Thursday 2 October 2014 Attention: Megan Baldwin Megan Baldwin megan.baldwin@opthea.com. You may not withdraw the Confirmation Advice after it has been submitted to Circadian.

Settlement of the transaction is to be via CHESS DvP. On the settlement date we will require you to settle the full amount as is detailed above.

The Company will apply to the ASX to obtain quotation of the Placement Shares on the official list of ASX following allotment of the relevant Placement Shares. The National Guarantee Fund will not cover settlement of transactions before commencement of trading of the Placement Shares on ASX. As indicated above, subject to receipt of approval from the ASX, the Company intends to seek quotation of the Options on the official list of ASX but no guarantee is provided that ASX will grant such quotation.

If you fail to apply for all or part of the Placement Shares (and accompanying Options) by the time required by this letter, Bell Potter may without notice to you apply (or procure that a third party applies) for those Placement Shares (and accompanying Options) and, in addition to any other obligations under this letter, you indemnify Bell Potter for any cost or loss associated with so doing (including any loss on sale of the Placement Shares (and accompanying Options)).

All settlement queries should be directed to Bell Potter via Les Blake on +61 2 8224 2832.

11. DISCLOSURE OF INTEREST

The Directors of Bell Potter advise that they and persons associated with them may have an interest in the Placement Shares (and accompanying Options) and that they may earn brokerage, commissions, fees and other benefits and advantages, whether pecuniary or not and whether direct or indirect, in connection with the making of a recommendation or a dealing by a client in these shares, and which may reasonably be expected to be capable of having an influence in the making of any recommendation, and that some or all of our Proper Authority holders may be remunerated wholly or partly by way of commission. As Lead Manager to the Placement, Bell Potter is entitled to earn fees.

12. OTHER TERMS AND CONDITIONS

You acknowledge that:

- (a) the agreement between you and Bell Potter (as agent of the Company) arising out of your acceptance of the terms of your Allocation shall be governed by the laws of Victoria and you are obliged to submit to the non-exclusive jurisdiction of the Courts of that State;
- (b) the terms contained in this letter including without limitation your executed Allocation Confirmation Advice constitute the entire agreement between you, the Company and Bell Potter as to the Placement and your participation in the Placement to the exclusion of all prior representations, understandings and agreements between you, the Company and Bell Potter; and
- (c) this letter of offer may be accepted by execution in counterpart (including by facsimile) which taken together with this letter shall constitute one and the same instrument. A facsimile bearing the signature of any of the persons, printed mechanically with its authority, shall be deemed to be this letter signed by each person.


13. IMPORTANT NOTES

Bell Potter makes or gives no warranties as to the accuracy or completeness of any disclosures by the Company. You must rely on your own enquiries and advice in respect to this investment. Participation in the Placement should be considered speculative. Bell Potter is not your fiduciary or a fiduciary of the Company for the purposes of the Placement. Bell Potter and/or its representatives may own shares and/or other securities in the Company. This position is subject to change without notice.

Any questions on the Company or these arrangements should be directed to Anton Whitehead of Bell Potter on +61 3 9235 1803.

Yours sincerely

Circadian Technologies Limited



Dominique Fisher
Director



Megan Baldwin
Director



Confirmation of Allocation ("Confirmation Advice")

Please sign and return this Confirmation of Allocation Form to the Company by
9:00AM (Melbourne time), Thursday 2 October 2014

To: Circadian Technologies Limited
Attention: Megan Baldwin
Email: megan.baldwin@opthea.com

Firm allocation of Shares by Circadian @ A\$0.175 per Placement Share

Applicant: Biotechnology Value Fund, L.P.

ISSUE PRICE	QUANTITY (Shares)	SUBSCRIPTION AMOUNT (\$A)	SETTLEMENT DATE
A\$0.175 per Placement Share	8,990,280	A\$1,573,299.00	24 November 2014
Free accompanying Options	4,495,140	Nil	N/A

The Applicant refers to the contract made with Circadian as detailed in the letter to the Applicant dated Wednesday 1 October 2014 (the "Letter").

I am/We are pleased to confirm my/our previous firm and irrevocable acceptance of Placement Shares (and accompanying Options) in the Placement, subject to the fulfilment of the Condition, on the terms and conditions as detailed in the Letter and confirm that I/We qualify under one of the sophisticated/professional investor exemptions under sections 9 and 708 of the Corporations Act 2001 as set out in the annexure to the letter or are otherwise permitted to receive Shares under the Placement as contemplated in the Letter.

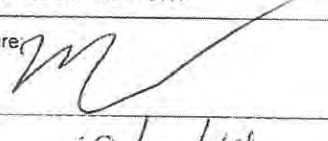
Terms defined in the Letter have the same meaning when used in this Confirmation Advice, unless stated otherwise. I am authorised to provide this notice on behalf of the organisation named below.

PLEASE COMPLETE REGISTRATION DETAILS BELOW

Company/Account Name: Biotechnology Value Fund, L.P.	
Account Designation:	
Settlement Contact Name: Spike Loy	
E-Mail: loy@bvflp.com	
Telephone: 415-525-8890	Fax:

DETAILS OF AUTHORISED SIGNATORY

AUTHORISED SIGNATORY

Name: Mark Lampert	Signature: 
Title: President, BVF Inc., itself GP, BVF Partners L.P., itself attorney-in fact of Biotechnology Value Fund, L.P.	
Organisation:	Date: 10/1/14

Circadian Technologies Limited
Level 4 Level 4/650 Chapel Street South Yarra 3141 Victoria Australia
T +61 (3) 9825 0399 F +61 (3) 9824 0083 www.circadian.com.au

Annexure B – Biotechnology Value Fund II, L.P Placement Subscription Letter

1 October 2014

Biotechnology Value Fund II, L.P.
Attn: Michael Murray
Email: murray@bvflp.com

Dear Sir / Madam,

Placement of ordinary shares in Circadian Technologies Limited ("Circadian" or the "Company")

1. INTRODUCTION

Circadian is proposing to undertake a private placement of new fully paid ordinary shares ("**Shares**") on the terms set out in this letter ("**Placement**").

Circadian has mandated Bell Potter Securities Limited ("**Bell Potter**") to act as lead manager and bookrunner ("**Lead Manager**") to the Placement to eligible institutional and sophisticated investors in Australia and overseas. The Company is seeking to raise between A\$12.5 to A\$14.0m by way of placement of between 71.4m to 80.0m Shares ("**Placement Shares**") at A\$0.175 per Placement Share ("**Placement Price**") under the Placement. In addition the Company will conduct a Non-Renounceable 2 for 5 Entitlement Offer at A\$0.175 to eligible shareholders to raise up to A\$3.4m ("**Entitlement Shares**"). Investors issued with the Placement Shares and Entitlement Shares will also be issued with options over fully paid ordinary shares in the Company on a 1:2 basis ("**Options**"). The Options will be issued at nil issue price and are exercisable any time until 25 November 2018 at an exercise price of A\$0.27 per Option. Subject to receipt of approval from the Australian Securities Exchange ("**ASX**"), the Company intends to seek quotation of the Options on the official list of ASX.

The issue of the Placement Securities Shares is conditional on the Company receiving shareholder approval under ASX Listing Rule 7.1 at the Annual General Meeting ("**Meeting**") which is expected to be held on or around Tuesday 18 November 2014 ("**Condition**").

Circadian is pleased to confirm acceptance of your offer to subscribe for Placement Shares (and accompanying Options) under the Placement on the terms set out in this letter. Your acceptance of this offer to subscribe for Placement Shares (and accompanying Options) gives rise to a binding and irrevocable agreement by you to subscribe for and acquire the number of Placement Shares (and accompanying Options) specified in the table in Section 3 below and pay the application monies in accordance with the settlement instructions set out in this letter.

2. DETAILS OF THE PLACEMENT

The following are the principal details of the Placement:

Amount of Placement	A\$12.5 to A\$14.0 million
Placement Shares	Approximately 71.4m to 80.0m Shares in the Company to be issued subject to shareholder approval under ASX Listing Rule 7.1 at the upcoming Annual General Meeting on or around 18 November 2014.
Placement Price	A\$0.175 per Placement Share. The Options will be issued on a 1:2 basis for nil consideration.
Eligibility To Entitlement Offer	Placement Shares (and accompanying Options) <u>will not</u> be eligible to participate in the Entitlement Offer.
Use of Proceeds	<p>IND Filed:</p> <p>The following activities must be completed to support IND filing:</p> <ul style="list-style-type: none"> - Scale up & manufacture of OPT-302 drug product - Fill-finish of drug product (single use vials, suitable for ocular admin) - Preclinical safety/toxicology testing and pharmacokinetic studies (including studies in non-human primates) - Bioanalytical method development and analysis of samples from safety/tox program - Phase I clinical planning, obtaining regulatory and ethics approval (incl FDA and clinical site preparation and principle investigator selection) <p>Phase I Clinical Study Complete:</p> <ul style="list-style-type: none"> - Clinical site/s ethics approval, site audits, set-up - Patient recruitment, OPT-302 dosing and follow up - Data analysis and statistical evaluation of dose ascending cohorts - To establish safety/tolerability in humans, inform dose selection for Ph II, PH/biomarker information, early indicators and efficacy <p>Phase I/IIa (Dose Expansion) Clinical Study Complete:</p> <ul style="list-style-type: none"> - Management of patient recruitment, dosing and data analysis for dose expansion cohorts - Data provides additional safety/tolerability information and additional opportunity to demonstrate therapeutic efficacy <p>Phase II (Proof of Concept)</p> <ul style="list-style-type: none"> - Phase II Clinical site/s ethics approval, site audits, set-up - Patient recruitment, OPT-302 dosing and follow-up - Data analysis and statistical evaluation and randomised arms - Trial to generate proof of concept efficacy data, statistically powered, randomised, controlled <p>Working Capital</p> <ul style="list-style-type: none"> - General working capital requirements

The Placement will be made available to Australian investors who qualify as professional or sophisticated investors under the requirements of sections 9 and 708 of the Corporations Act 2001 (Cth) (the "**Corporations Act**") so that the offer and issue of Placement Shares does not require disclosure under Chapter 6D of the Corporations Act and to international investors (outside the US) who fall within a relevant exemption from disclosure in the applicable jurisdiction ("**Participants**").



The Options will be issued to all investors via a reduced content prospectus pursuant to section 713 of the Corporations Act ("**Prospectus**"). The Prospectus will be sent to investors under the Placement on or around Monday 20 October 2014 for information purposes only.

With respect to investors in the United States, this Placement will be made available to (a) "accredited investors" as that term is defined in Rule 501(a)(1), (a)(2), (a)(3), (a)(7) or (a)(8) of Regulation D as promulgated by the United States Securities and Exchange Commission (the "**SEC**") under the Securities Act of 1933, as amended (the "**US Securities Act**") and (b) "qualified institutional buyers" as that term is defined in Rule 144A(a) under the US Securities Act.

The information in this letter is confidential and is subject to any confidentiality obligations you have agreed with Bell Potter or the Company.

Bell Potter will act as the settlement agent on behalf of all participants.

3. PLACEMENT OFFER

We are pleased to have accepted your firm and irrevocable allocation of Placement Shares (and accompanying Options) ("**Allocation**"), as detailed in the table below.

Applicant: Biotechnology Value Fund II, L.P.

ISSUE PRICE	QUANTITY (Shares)	SUBSCRIPTION AMOUNT (\$A)	SETTLEMENT DATE
A\$0.175 per Placement Share	4,643,988	A\$812,697.90	Monday 24 November
Free accompanying Options	2,321,994	Nil	N/A

By signing and returning the attached Confirmation Advice you are confirming your irrevocable agreement to apply for the allotment and issue to you of the number of Placement Shares (and accompanying Options) set out above on the terms set out in this letter without the need for any separate instrument of application by you.

Upon receipt of your signed Confirmation Advice, the Company agrees to allot and issue to you the number of Placement Shares (and accompanying Options) set out above on a delivery versus payment ("**DvP**") basis.

Upon the allotment of Placement Shares (and accompanying Options) to you, you:

- (a) accept the Placement Shares (and accompanying Options) issued to you on the terms of the offer as set out in this letter;
- (b) agree to be bound by the Company's constitution; and
- (c) authorise your name to be placed on the register of members of the Company as the legal owner of the Placement Shares (and accompanying Options) issued to you.

By signing and returning the attached Confirmation Advice, you acknowledge that the Placement Shares (and accompanying Options) have not been and will not be registered under the United States Securities Act of 1933, as amended (the "US Securities Act") or the laws of any state or jurisdiction in the United States, and therefore you covenant and agree not to offer, sell, pledge, transfer or



otherwise dispose of the Placement Shares (and accompanying Options) except as permitted under the US Securities Act pursuant to registration or to an exemption from registration.

4. INDICATIVE TIMETABLE

The **indicative** timetable for the Placement is as follows:

Event	Date
Proposed capital raising announced on the ASX	Monday 6 October 2014
Record date for Entitlement Offer	Wednesday 15 October 2014
AGM notice dispatched with Prospectus and Entitlement Offer documentation to existing shareholders and dispatch of Prospectus to Placement investors (for information purposes only)	Monday 20 October 2014
Annual General Meeting to approve Placement	Tuesday 18 November 2014
Placement settlement via DvP	Monday 24 November 2014
Placement Shares and accompanying Options allotment date	Tuesday 25 November 2014

Note:

1. The above timetable is indicative only and may change without consultation with you and subject to the terms of this letter, you are bound by the agreement arising from your acceptance of this offer notwithstanding any such changes to the timetable.

2. All times above are references to Melbourne, Australia (AEST) time.

The Company reserves the right not to proceed with the Placement or any part of it at any time before the allotment of Placement Shares (and accompanying Options) to you. If the Placement or any part of it does not proceed or is cancelled, all relevant subscription monies relating to the cancelled part of the Placement will be refunded (without interest).

5. RIGHTS ATTACHING TO THE PLACEMENT SHARES

The Company has warranted to the Lead Manager that the Placement Shares will be fully paid, validly issued and will rank equally in all respects with existing Shares from allotment. However, it should be noted that allotment occurs after the Entitlement Offer record date. As such Placement Shares (and accompanying Options) will not be eligible to participate in the Entitlement Offer. The Company has agreed to apply to ASX for official quotation of the Placement Shares on ASX. The Company also intends to seek quotation of the Options on the official list of ASX but no guarantee is provided that ASX will grant such quotation. Please note that Market Participants (as defined in the ASX Market Rules) cannot deal in the Placement Shares (and accompanying Options) either as principal or agent until official quotation is granted in respect of the Placement Shares (and accompanying Options). The Company has represented and warranted to the Lead Manager that:

- (a) the offer of the Placement Shares will be undertaken in compliance with section 708A of the Corporations Act and the Company is not aware of any condition or requirement of such provision that it will not be able to satisfy for the purposes of the Placement;
- (b) no ASIC determination under subsections 708A(2) is in force in relation to the Company; and
- (c) it is not issuing the Placement Shares with the purpose of the persons to whom they are issued selling or transferring the securities, or granting, issuing or transferring interest in or options or warrants over them.

You should inform yourself as to the terms of sections 707, 708, and 708A of the Corporations Act (which may affect your ability to resell your Placement Shares).

6. ALLOCATION PERSONAL

As you have made an irrevocable offer to subscribe for Placement Shares (and accompanying Options), those Placement Shares (and accompanying Options) will be issued to you personally and you may not, prior to official quotation of the Placement Shares, (and accompanying Options) assign, transfer, or in any other manner, deal with your rights or obligations under this letter, without the prior written agreement of the Lead Manager. Where you accepted the offer of Placement Shares (and accompanying Options) on behalf of your clients you must ensure that any such client performs its obligations herein.

7. COMMISSION

No commission is payable to you in relation to the Placement.

No additional brokerage or commission will be payable to you in respect of applications for the Placement Shares (and accompanying Options) which also bear a broker's or dealer's certification stamp.

You must pay your own costs in connection with the Placement.

8. TERMINATION

If the Placement does not proceed for any reason or Circadian or Bell Potter terminates its obligations under the Placement (for whatever reason), this letter will also terminate immediately without any obligation to you on the part of the Company. You have no right of termination of the obligations set out in this letter. Your liability under this letter will cease only when you lodge valid application(s) and pay for your Allocation.

9. REPRESENTATIONS, WARRANTIES AND AGREEMENTS

By submitting an irrevocable offer to subscribe for Placement Shares (and accompanying Options), signing and returning the attached Confirmation Advice to the Company, or accepting the issue of Placement Shares (and accompanying Options) you represent, warrant, acknowledge and agree for the benefit of the Company and Bell Potter and their respective related bodies corporate and any directors, officers, employees, agents or advisers of any of them ("**Affiliates**") that:

- (a) you have received, read and understood, and agree to be bound by and confirm your compliance with applicable provisions of this letter, and any documents or forms attached to this letter;
- (b) the acknowledgements, representations, warranties and agreements in this letter, your executed Confirmation Advice, are true and correct with respect to you, your nominated custodian and any person on whose behalf you are acquiring Placement Shares (and accompanying Options);
- (c) you have the power and authority to enter into and perform your obligations set out in this letter and that neither your Allocation nor the performance by you of your obligations will breach any applicable law;
- (d) your Allocation to subscribe for your allocation of Placement Shares (and accompanying Options) is binding and irrevocable and you will subscribe for, and provide the relevant application monies for, up to the number of Placement Shares specified on your Confirmation Advice if and when called upon by the Company to do so. The provision of the Prospectus (which deals in part with the issue of the Options) to you is strictly for information purposes



only and your irrevocable and binding acceptance of the offer as evidenced by the return of your executed Confirmation Advice is not subject in any way to receipt of the Prospectus or your approval of the Prospectus;

- (e) if you are in Australia you are a "Sophisticated Investor" under section 708(8) of the Corporations Act or a "Professional Investor" under section 708(11) of the Corporations Act and that the Placement Shares (and accompanying Options) were offered to you on the basis that you are and represent that you are a person to whom a prospectus or other disclosure document is not required to be given under Chapter 6D of the Corporations Act in respect of the Placement Shares;
- (f) if you are outside Australia, you are a person to whom an invitation or offer to subscribe for and purchase Placement Shares (and accompanying Options) in the manner contemplated by this letter is permitted by the laws of the jurisdiction in which you are situated, and to whom Placement Shares (and accompanying Options) can lawfully be issued under all applicable laws, without the need for any registration, filing or lodgement. This letter does not constitute an offer to subscribe for Placement Shares (and accompanying Options) in any jurisdiction in which, or to any person to whom, such an offer would be illegal;
- (g) you and each other person, if any, for whose account you are acquiring any Placement Shares (and accompanying Options) have conducted and relied upon your own investigation and assessment of, and have sought any advice you deem necessary from your own advisors regarding, the offer of Placement Shares (and accompanying Options), the Placement Shares (and accompanying Options) and the Company including, without limitation, the particular Australian and United States federal income tax consequences of the offer of Placement Shares (and accompanying Options) and the purchase, ownership, and disposition of the Placement Shares (and accompanying Options) of the Company and the Placement Shares (and accompanying Options) in light of your particular situation as well as any consequences arising under the laws of any other taxing jurisdiction, and, in particular, you have made and relied entirely upon your own assessment as to whether, and the consequences to you if, the issuer of the Placement Shares (and accompanying Options) has been, is, continues to be, or becomes a "passive foreign investment company" ("PFIC") (as defined in Section 1297 of the United States Internal Revenue Code of 1986) for United States federal income tax purposes, and you acknowledge that you have not relied and will not rely to any degree upon, the Company, Bell Potter or any of their respective representatives or affiliates for advice as to any tax consequences related to such investment, or the offer of Placement Shares (and accompanying Options), or the purchase, ownership or disposition of the issuer's ordinary shares, including the Placement Shares (and accompanying Options), or for the preparation and filing of any tax returns and elections required or permitted to be filed by you in connection therewith;
- (h) you are aware that no analysis has been undertaken to determine if Circadian is, or whether, after giving effect to the sale of the Placement Shares (and accompanying Options) (and any contemporaneous sales of securities of Circadian), will be, or will be required to register as, an "investment company" as defined in the United States Investment Company Act of 1940, as amended, and the rules and regulations promulgated thereunder, and you understand that if Circadian were determined to be an investment company, this could adversely affect the price of the Placement Shares (and accompanying Options) and could have a material adverse effect on business;
- (i) you are in compliance with all relevant laws and regulations and will not cease to be in compliance if you apply for Placement Shares (and accompanying Options) on the terms set out in this letter;
- (j) you are not subscribing for Placement Shares (and accompanying Options) for the purpose of selling or transferring the Placement Shares (and accompanying Options) issued to you or granting, issuing or transferring interests in, or options over the Placement Shares (and

accompanying Options) within 12 months after their date of issue. This confirmation is understood to be a statement of present intention only but not an undertaking not to sell, particularly where your investment objectives or market conditions change;

- (k) no disclosure document has been prepared under the Corporations Act in connection with the offer of the Placement Shares;
- (l) you are aware that section 708A(5) of the Corporations Act may not apply to an offer of the Placement Shares for re-sale in the event that the Company does not satisfy the requirements under subsection 708A(5) or the notice given under subsection 708A(5)(e) does not comply with subsection 708A(6) and, in that case, an offer to sell your Placement Shares within 12 months after they are issued will require disclosure under section 707(3) of the Corporations Act, unless an exception applies. In such circumstances, the Company will use its best endeavours to either release a disclosure document within 45 days of the allotment of the relevant Placement Shares in accordance with section 707(3) of the Corporations Act or delay settlement of the relevant Placement Shares for a period of no more than ten business days to allow the Company to release to the market any price sensitive information required to be released prior to the Company lodging a notice in accordance with subsection 708A(5)(e) of the Corporations Act;
- (m) in exercising or refraining from exercising any rights, Circadian, Bell Potter (where applicable) may have sole regard to its own interest, even if that is contrary to your interests. You agree to release Circadian and Bell Potter from any claim of any kind against it arising or resulting from the exercise or non-exercise by Circadian or Bell Potter of any such rights;
- (n) you will ensure that neither you nor any of your Affiliates involved in the Placement makes any formal or informal public statement, direct or indirect, on any matter associated with the Placement which has not been cleared and agreed in advance with the Company and Bell Potter;
- (o) you have such knowledge and experience in financial and business matters that you are capable of evaluating the merits and risks of a subscription for Placement Shares (and accompanying Options), and that an investment in Placement Shares (and accompanying Options) involves a degree of risk;
- (p) you have the financial ability to bear the economic risk of an investment in Placement Shares (and accompanying Options);
- (q) Bell Potter and its Affiliates do not make any warranty or representation as to the accuracy of any information given to you and do not accept any responsibility and exclude and disclaim all liability, except as may not be capable of being excluded by law, for any expense, loss, damage or cost that may be incurred by you or any other person as a result of that information being inaccurate or incomplete in any way for any reason or for any action taken by you on the basis of such information;
- (r) you are aware that publicly available information about Circadian can be obtained from ASX (including its web site <http://www.asx.com.au>) and that certain publicly available information about Circadian can be obtained free of charge from Circadian web site: www.Circadian.com.au;
- (s) you have had access to all information that you believe is necessary or appropriate in connection with your application for Placement Shares (and accompanying Options) and the Placement. You acknowledge and agree that you will not hold Circadian, Bell Potter or any of their Affiliates responsible for any misstatements in, or omissions from, any publicly available information concerning Circadian, the Placement Shares (and accompanying Options) or the Placement;

- (t) you have made and relied upon your own assessment of Circadian and have conducted your own investigation with respect to the Placement Shares (and accompanying Options) and Circadian including, without limitation, the particular tax consequences of subscribing, owning or disposing of Placement Shares (and accompanying Options) in light of your particular situation as well as any consequences arising under the laws of any other taxing jurisdiction, and decided to participate based on your own enquiries, professional advice, and not in reliance upon any act or representation made by Bell Potter;
- (u) you have not relied on any representations made by Circadian, Bell Potter, or any of their Affiliates except as set out in this letter;
- (v) you have not relied on any investigation or research that Bell Potter or any of its Affiliates or any persons acting on its behalf may have conducted with respect to the Placement Shares (and accompanying Options) or Circadian. None of such persons has made any representation to you, express or implied, with respect to the Placement Shares (and accompanying Options) or Circadian;
- (w) this letter does not constitute a securities recommendation or financial product advice and that Circadian and Bell Potter have not considered your particular objectives, financial situation and needs;
- (x) to be bound by the provisions of the constitution of Circadian and the terms of the Options (as set out in the Prospectus) upon allotment of Placement Shares (and accompanying Options) to you. A draft copy of the terms of the Options is attached to this letter strictly for information purposes only and you should note that the terms of the Options are subject to ASX approval and may be changed at the absolute discretion of the Company and without prior notification to you at any time until the Options are issued to you;
- (y) except to the extent that liability cannot by law be excluded, that none of Bell Potter, Circadian or any of their Affiliates, accept any responsibility in relation to the Placement;
- (z) you are not a Related Party (as defined in section 228 of the Corporations Act or treated as such for the purposes of ASX Listing Rule 10.11) of Circadian;
- (aa) you acknowledge and agree that, in order to ensure that US Persons do not purchase any Placement Shares (and accompanying Options) issued to you, a number of procedures governing the trading and clearing of Placement Shares (and accompanying Options) will be implemented, including the application to Placement Shares (and accompanying Options) of the status of Foreign Ownership Restriction (FOR) securities under the ASX Settlement Operating Rules and the addition of the notation "FORUS" to the Placement Share (and accompanying Options) description on ASX trading screens and elsewhere, which will inform the market of the prohibition on US Persons acquiring Shares;
- (bb) if you fail to meet any obligation to apply for all or part of your Allocation by the time required by this letter, Bell Potter may without notice to you apply (or procure on terms that a third party applies) for those Placement Shares (and accompanying Options) and in addition to any other obligations under this agreement you indemnify Bell Potter for any cost or loss associated with so doing (including any loss on sale of those Placement Shares (and accompanying Options) within 6 months of application);
- (cc) the Company is not issuing Placement Shares (and accompanying Options) for the purpose of you selling or transferring them (or granting, issuing or transferring interests in, or options over, them);
- (dd) any issue of Placement Shares (and accompanying Options) to you pursuant to your Allocation is subject to the completion of the Placement;



- (ee) if you are a financial services licensee (as defined in the Corporations Act) that intends to allocate the Placement Shares (and accompanying Options) to persons prior to settlement, each person that receives an allocation of Securities is a "sophisticated investor" or "professional investor" within the meaning of section 708 of the Corporations Act and that you have appropriate records to evidence this;
- (ff) if you are acquiring any Placement Shares (and accompanying Options) for the account of one or more investors, you have the authority to make the representations, warranties, acknowledgements and agreements herein on behalf of each such investor and you will take reasonable steps to ensure that any such investor will comply with their obligations as you have agreed for them;
- (gg) the offer and sale to you of the Placement Shares (and accompanying Options) has not been and will not be registered under the US Securities Act or the laws of any state or other jurisdiction in the US except as permitted under the US Securities Act pursuant to registration or to an exemption from registration. Therefore, you agree that you may not and will not offer, sell, pledge, transfer or otherwise dispose of any Placement Shares (and accompanying Options) in the US or for the account or benefit of a US Person (as defined in Regulation S of the US Securities Act) ("**US Person**") unless and until the Placement Shares (and accompanying Options) are registered under the US Securities Act (which you acknowledge Circadian has no obligation to do) or offered, sold, pledged, transferred or otherwise disposed of in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act or the laws of any state or other jurisdiction in the US;
- (hh) you will not engage in hedging transactions with regard to the Placement Shares (and accompanying Options); and
- (ii) Circadian, Bell Potter and their Affiliates will rely upon the truth and accuracy of the foregoing acknowledgments, representations, warranties and agreements and agree that if any such acknowledgments, representations or warranties are no longer accurate, you will notify Circadian and Bell Potter immediately. You unconditionally and irrevocably indemnify Circadian, Bell Potter and their Affiliates against any claims, demands, loss, damages, costs, expenses and liabilities suffered or incurred directly or indirectly and arising out of or in relation to any breach by you of the acknowledgments, representations, warranties and agreements under this letter. If you have material non-public information regarding the Company, insider trading restrictions may apply to you, and that you will not, and will not cause any other person to, acquire any of the Company's securities after you have had access to material non-public information if doing so would be a breach of insider trading restrictions.
- (jj) If you are an entity, you are an entity duly organized, validly existing and in good standing under the laws of the jurisdiction of your organization with full right, corporate or partnership power and authority to enter into and to consummate the transactions contemplated by this letter and otherwise to carry out your obligations hereunder and thereunder. The execution and delivery of this letter and performance by you of the transactions contemplated by this letter have been duly authorized by all necessary corporate or similar action on your part. Each document relating to the transactions contemplated by this letter to which you are a party has been duly executed by you, and when delivered by you in accordance with the terms hereof, will constitute the valid and legally binding obligation, enforceable against you in accordance with its terms, except: (i) as limited by general equitable principles and applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors' rights generally, (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies and (iii) insofar as indemnification and contribution provisions may be limited by applicable law;
- (kk) if you are a US Person, you are acquiring the Placement Shares (and accompanying Options) as principal for your own account have no direct or indirect arrangement or understandings

with any other persons to distribute or regarding the distribution of such Placement Shares (and accompanying Options) (this representation and warranty not limiting your right to sell the Placement Shares (and accompanying Options) pursuant to a Registration Statement or otherwise in compliance with applicable United States federal and state securities laws) in violation of the US Securities Act or any applicable state securities law. You are acquiring the Placement Shares (and accompanying Options) hereunder in the ordinary course of your business;

- (ll) if you are a US Person, at the time you were offered the Placement Shares (and accompanying Options), you were, and as of the date hereof you are: (i) an "accredited investor" as defined in Rule 501(a)(1), (a)(2), (a)(3), (a)(7) or (a)(8) under the US Securities Act or (ii) a "qualified institutional buyer" as defined in Rule 144A(a) under the US Securities Act;
- (mm) if you are a US Person, you, either alone or together with your representatives, have such knowledge, sophistication and experience in business and financial matters so as to be capable of evaluating the merits and risks of the prospective investment in the Placement Shares (and accompanying Options), and have so evaluated the merits and risks of such investment. You are able to bear the economic risk of an investment in the Placement Shares (and accompanying Options) and, at the present time, are able to afford a complete loss of such investment; and
- (nn) if you are a US Person, you acknowledge and agree that you are acting solely in the capacity of an arm's length purchaser with respect to the documents relating to the transactions contemplated by this letter and with respect to such transactions. You also acknowledge that you are not acting as a financial advisor or fiduciary of the Company (or in any similar capacity) with respect to the documents relating to the transactions contemplated by this letter and with respect to such transactions and any advice given by you or any of your respective representatives or agents in connection with the documents relating to the transactions contemplated by this letter and with respect to such transactions is merely incidental to your purchase of the Placement Shares (and accompanying Options).

The investor further acknowledges and agrees that the Company will hold the benefit of each of the representations, warranties, conditions and undertakings given by the investor in this letter on behalf, and for the benefit of Bell Potter.

10. SETTLEMENT

Please complete the **Confirmation Advice** attached, confirming your binding, irrevocable and unconditional acceptance of the offer of Placement Shares (and accompanying Options) and your investor registration details, and return it to Bell Potter by facsimile or email by no later than 9:00AM Melbourne time Thursday 2 October 2014 Attention: Megan Baldwin Megan Baldwin megan.baldwin@opthea.com. You may not withdraw the Confirmation Advice after it has been submitted to Circadian.

Settlement of the transaction is to be via CHESS DvP. On the settlement date we will require you to settle the full amount as is detailed above.

The Company will apply to the ASX to obtain quotation of the Placement Shares on the official list of ASX following allotment of the relevant Placement Shares. The National Guarantee Fund will not cover settlement of transactions before commencement of trading of the Placement Shares on ASX. As indicated above, subject to receipt of approval from the ASX, the Company intends to seek quotation of the Options on the official list of ASX but no guarantee is provided that ASX will grant such quotation.



If you fail to apply for all or part of the Placement Shares (and accompanying Options) by the time required by this letter, Bell Potter may without notice to you apply (or procure that a third party applies) for those Placement Shares (and accompanying Options) and, in addition to any other obligations under this letter, you indemnify Bell Potter for any cost or loss associated with so doing (including any loss on sale of the Placement Shares (and accompanying Options)).

All settlement queries should be directed to Bell Potter via Les Blake on +61 2 8224 2832.

11. DISCLOSURE OF INTEREST

The Directors of Bell Potter advise that they and persons associated with them may have an interest in the Placement Shares (and accompanying Options) and that they may earn brokerage, commissions, fees and other benefits and advantages, whether pecuniary or not and whether direct or indirect, in connection with the making of a recommendation or a dealing by a client in these shares, and which may reasonably be expected to be capable of having an influence in the making of any recommendation, and that some or all of our Proper Authority holders may be remunerated wholly or partly by way of commission. As Lead Manager to the Placement, Bell Potter is entitled to earn fees.

12. OTHER TERMS AND CONDITIONS

You acknowledge that:

- (a) the agreement between you and Bell Potter (as agent of the Company) arising out of your acceptance of the terms of your Allocation shall be governed by the laws of Victoria and you are obliged to submit to the non-exclusive jurisdiction of the Courts of that State;
- (b) the terms contained in this letter including without limitation your executed Allocation Confirmation Advice constitute the entire agreement between you, the Company and Bell Potter as to the Placement and your participation in the Placement to the exclusion of all prior representations, understandings and agreements between you, the Company and Bell Potter; and
- (c) this letter of offer may be accepted by execution in counterpart (including by facsimile) which taken together with this letter shall constitute one and the same instrument. A facsimile bearing the signature of any of the persons, printed mechanically with its authority, shall be deemed to be this letter signed by each person.

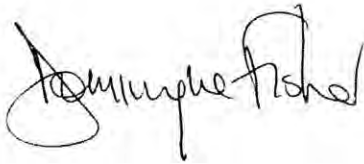
13. IMPORTANT NOTES

Bell Potter makes or gives no warranties as to the accuracy or completeness of any disclosures by the Company. You must rely on your own enquiries and advice in respect to this investment. Participation in the Placement should be considered speculative. Bell Potter is not your fiduciary or a fiduciary of the Company for the purposes of the Placement. Bell Potter and/or its representatives may own shares and/or other securities in the Company. This position is subject to change without notice.

Any questions on the Company or these arrangements should be directed to Anton Whitehead of Bell Potter on +61 3 9235 1803.

Yours sincerely

Circadian Technologies Limited



Dominique Fisher
Director



Megan Baldwin
Director



Confirmation of Allocation ("Confirmation Advice")

Please sign and return this Confirmation of Allocation Form to the Company by
9:00AM (Melbourne time), Thursday 2 October 2014

To: Circadian Technologies Limited
Attention: Megan Baldwin
Email: megan.baldwin@opthea.com

Firm allocation of Shares by Circadian @ A\$0.175 per Placement Share

Applicant: Biotechnology Value Fund II, L.P.

ISSUE PRICE	QUANTITY (Shares)	SUBSCRIPTION AMOUNT (\$A)	SETTLEMENT DATE
A\$0.175 per Placement Share	4,643,988	A\$812,697.90	24 November 2014
Free accompanying Options	2,321,994	Nil	N/A

The Applicant refers to the contract made with Circadian as detailed in the letter to the Applicant dated Wednesday 1 October 2014 (the "Letter").

I am/We are pleased to confirm my/our previous firm and irrevocable acceptance of Placement Shares (and accompanying Options) in the Placement, subject to the fulfilment of the Condition, on the terms and conditions as detailed in the Letter and confirm that I/We qualify under one of the sophisticated/professional investor exemptions under sections 9 and 708 of the Corporations Act 2001 as set out in the annexure to the letter or are otherwise permitted to receive Shares under the Placement as contemplated in the Letter.


Terms defined in the Letter have the same meaning when used in this Confirmation Advice, unless stated otherwise. I am authorised to provide this notice on behalf of the organisation named below.

PLEASE COMPLETE REGISTRATION DETAILS BELOW

Company/Account Name: Biotechnology Value Fund II, L.P.	
Account Designation:	
Settlement Contact Name: Spike Loy	
E-Mail: loy@bvflp.com	
Telephone: 415-525-8890	Fax:

DETAILS OF AUTHORISED SIGNATORY

AUTHORISED SIGNATORY

Name: Mark Lampert	Signature: 
Title: President, BVF Inc., itself GP, BVF Partners L.P., itself attorney-in fact of Biotechnology Value Fund II, L.P.	
Organisation:	Date: 10/1/14

Circadian Technologies Limited,
Level 4, Level 4/650 Chapel Street South Yarra 3141 Victoria Australia
T +61 (3) 9826 0399 F +61 (3) 9824 0083 www.circadian.com.au

Annexure C – Investment 10 LLC Placement Subscription Letter

1 October 2014

Investment 10, L.L.C.
Attn: Michael Murray
Email: murray@bvflp.com

Dear Sir / Madam,

Placement of ordinary shares in Circadian Technologies Limited ("Circadian" or the "Company")

1. INTRODUCTION

Circadian is proposing to undertake a private placement of new fully paid ordinary shares ("**Shares**") on the terms set out in this letter ("**Placement**").

Circadian has mandated Bell Potter Securities Limited ("**Bell Potter**") to act as lead manager and bookrunner ("**Lead Manager**") to the Placement to eligible institutional and sophisticated investors in Australia and overseas. The Company is seeking to raise between A\$12.5 to A\$14.0m by way of placement of between 71.4m to 80.0m Shares ("**Placement Shares**") at A\$0.175 per Placement Share ("**Placement Price**") under the Placement. In addition the Company will conduct a Non-Renounceable 2 for 5 Entitlement Offer at A\$0.175 to eligible shareholders to raise up to A\$3.4m ("**Entitlement Shares**"). Investors issued with the Placement Shares and Entitlement Shares will also be issued with options over fully paid ordinary shares in the Company on a 1:2 basis ("**Options**"). The Options will be issued at nil issue price and are exercisable any time until 25 November 2018 at an exercise price of A\$0.27 per Option. Subject to receipt of approval from the Australian Securities Exchange ("**ASX**"), the Company intends to seek quotation of the Options on the official list of ASX.

The issue of the Placement Securities Shares is conditional on the Company receiving shareholder approval under ASX Listing Rule 7.1 at the Annual General Meeting ("**Meeting**") which is expected to be held on or around Tuesday 18 November 2014 ("**Condition**").

Circadian is pleased to confirm acceptance of your offer to subscribe for Placement Shares (and accompanying Options) under the Placement on the terms set out in this letter. Your acceptance of this offer to subscribe for Placement Shares (and accompanying Options) gives rise to a binding and irrevocable agreement by you to subscribe for and acquire the number of Placement Shares (and accompanying Options) specified in the table in Section 3 below and pay the application monies in accordance with the settlement instructions set out in this letter.

2. DETAILS OF THE PLACEMENT

The following are the principal details of the Placement:

Amount of Placement	A\$12.5 to A\$14.0 million
Placement Shares	Approximately 71.4m to 80.0m Shares in the Company to be issued subject to shareholder approval under ASX Listing Rule 7.1 at the upcoming Annual General Meeting on or around 18 November 2014.
Placement Price	A\$0.175 per Placement Share. The Options will be issued on a 1:2 basis for nil consideration.
Eligibility To Entitlement Offer	Placement Shares (and accompanying Options) <u>will not</u> be eligible to participate in the Entitlement Offer.
Use of Proceeds	<p>IND Filed:</p> <p>The following activities must be completed to support IND filing:</p> <ul style="list-style-type: none"> - Scale up & manufacture of OPT-302 drug product - Fill-finish of drug product (single use vials, suitable for ocular admin) - Preclinical safety/toxicology testing and pharmacokinetic studies (including studies in non-human primates) - Bioanalytical method development and analysis of samples from safety/tox program - Phase I clinical planning, obtaining regulatory and ethics approval (incl FDA and clinical site preparation and principle investigator selection) <p>Phase I Clinical Study Complete:</p> <ul style="list-style-type: none"> - Clinical site/s ethics approval, site audits, set-up - Patient recruitment, OPT-302 dosing and follow up - Data analysis and statistical evaluation of dose ascending cohorts - To establish safety/tolerability in humans, inform dose selection for Ph II, PH/biomarker information, early indicators and efficacy <p>Phase I/IIa (Dose Expansion) Clinical Study Complete:</p> <ul style="list-style-type: none"> - Management of patient recruitment, dosing and data analysis for dose expansion cohorts - Data provides additional safety/tolerability information and additional opportunity to demonstrate therapeutic efficacy <p>Phase II (Proof of Concept)</p> <ul style="list-style-type: none"> - Phase II Clinical site/s ethics approval, site audits, set-up - Patient recruitment, OPT-302 dosing and follow-up - Data analysis and statistical evaluation and randomised arms - Trial to generate proof of concept efficacy data, statistically powered, randomised, controlled <p>Working Capital</p> <ul style="list-style-type: none"> - General working capital requirements -

The Placement will be made available to Australian investors who qualify as professional or sophisticated investors under the requirements of sections 9 and 708 of the Corporations Act 2001 (Cth) (the "**Corporations Act**") so that the offer and issue of Placement Shares does not require disclosure under Chapter 6D of the Corporations Act and to international investors (outside the US) who fall within a relevant exemption from disclosure in the applicable jurisdiction ("**Participants**").



The Options will be issued to all investors via a reduced content prospectus pursuant to section 713 of the Corporations Act ("**Prospectus**"). The Prospectus will be sent to investors under the Placement on or around Monday 20 October 2014 for information purposes only.

With respect to investors in the United States, this Placement will be made available to (a) "accredited investors" as that term is defined in Rule 501(a)(1), (a)(2), (a)(3), (a)(7) or (a)(8) of Regulation D as promulgated by the United States Securities and Exchange Commission (the "**SEC**") under the Securities Act of 1933, as amended (the "**US Securities Act**") and (b) "qualified institutional buyers" as that term is defined in Rule 144A(a) under the US Securities Act.

The information in this letter is confidential and is subject to any confidentiality obligations you have agreed with Bell Potter or the Company.

Bell Potter will act as the settlement agent on behalf of all participants.

3. PLACEMENT OFFER

We are pleased to have accepted your firm and irrevocable allocation of Placement Shares (and accompanying Options) ("**Allocation**"), as detailed in the table below.

Applicant: Investment 10, L.L.C.

ISSUE PRICE	QUANTITY (Shares)	SUBSCRIPTION AMOUNT (\$A)	SETTLEMENT DATE
A\$0.175 per Placement Share	2,500,186	A\$ \$437,532.55	Monday 24 November
Free accompanying Options	1,250,093	Nil	N/A

By signing and returning the attached Confirmation Advice you are confirming your irrevocable agreement to apply for the allotment and issue to you of the number of Placement Shares (and accompanying Options) set out above on the terms set out in this letter without the need for any separate instrument of application by you.

Upon receipt of your signed Confirmation Advice, the Company agrees to allot and issue to you the number of Placement Shares (and accompanying Options) set out above on a delivery versus payment ("**DvP**") basis.

Upon the allotment of Placement Shares (and accompanying Options) to you, you:

- (a) accept the Placement Shares (and accompanying Options) issued to you on the terms of the offer as set out in this letter;
- (b) agree to be bound by the Company's constitution; and
- (c) authorise your name to be placed on the register of members of the Company as the legal owner of the Placement Shares (and accompanying Options) issued to you.

By signing and returning the attached Confirmation Advice, you acknowledge that the Placement Shares (and accompanying Options) have not been and will not be registered under the United States Securities Act of 1933, as amended (the "US Securities Act") or the laws of any state or jurisdiction in the United States, and therefore you covenant and agree not to offer, sell, pledge, transfer or

otherwise dispose of the Placement Shares (and accompanying Options) except as permitted under the US Securities Act pursuant to registration or to an exemption from registration.

4. INDICATIVE TIMETABLE

The **indicative** timetable for the Placement is as follows:

Event	Date
Proposed capital raising announced on the ASX	Monday 6 October 2014
Record date for Entitlement Offer	Wednesday 15 October 2014
AGM notice dispatched with Prospectus and Entitlement Offer documentation to existing shareholders and dispatch of Prospectus to Placement investors (for information purposes only)	Monday 20 October 2014
Annual General Meeting to approve Placement	Tuesday 18 November 2014
Placement settlement via DvP	Monday 24 November 2014
Placement Shares and accompanying Options allotment date	Tuesday 25 November 2014

Note:

1. The above timetable is indicative only and may change without consultation with you and subject to the terms of this letter, you are bound by the agreement arising from your acceptance of this offer notwithstanding any such changes to the timetable.

2. All times above are references to Melbourne, Australia (AEST) time.

The Company reserves the right not to proceed with the Placement or any part of it at any time before the allotment of Placement Shares (and accompanying Options) to you. If the Placement or any part of it does not proceed or is cancelled, all relevant subscription monies relating to the cancelled part of the Placement will be refunded (without interest).

5. RIGHTS ATTACHING TO THE PLACEMENT SHARES

The Company has warranted to the Lead Manager that the Placement Shares will be fully paid, validly issued and will rank equally in all respects with existing Shares from allotment. However, it should be noted that allotment occurs after the Entitlement Offer record date. As such Placement Shares (and accompanying Options) will not be eligible to participate in the Entitlement Offer. The Company has agreed to apply to ASX for official quotation of the Placement Shares on ASX. The Company also intends to seek quotation of the Options on the official list of ASX but no guarantee is provided that ASX will grant such quotation. Please note that Market Participants (as defined in the ASX Market Rules) cannot deal in the Placement Shares (and accompanying Options) either as principal or agent until official quotation is granted in respect of the Placement Shares (and accompanying Options). The Company has represented and warranted to the Lead Manager that:

- (a) the offer of the Placement Shares will be undertaken in compliance with section 708A of the Corporations Act and the Company is not aware of any condition or requirement of such provision that it will not be able to satisfy for the purposes of the Placement;
- (b) no ASIC determination under subsections 708A(2) is in force in relation to the Company; and
- (c) it is not issuing the Placement Shares with the purpose of the persons to whom they are issued selling or transferring the securities, or granting, issuing or transferring interest in or options or warrants over them.

You should inform yourself as to the terms of sections 707, 708, and 708A of the Corporations Act (which may affect your ability to resell your Placement Shares).

6. ALLOCATION PERSONAL

As you have made an irrevocable offer to subscribe for Placement Shares (and accompanying Options), those Placement Shares (and accompanying Options) will be issued to you personally and you may not, prior to official quotation of the Placement Shares, (and accompanying Options) assign, transfer, or in any other manner, deal with your rights or obligations under this letter, without the prior written agreement of the Lead Manager. Where you accepted the offer of Placement Shares (and accompanying Options) on behalf of your clients you must ensure that any such client performs its obligations herein.

7. COMMISSION

No commission is payable to you in relation to the Placement.

No additional brokerage or commission will be payable to you in respect of applications for the Placement Shares (and accompanying Options) which also bear a broker's or dealer's certification stamp.

You must pay your own costs in connection with the Placement.

8. TERMINATION

If the Placement does not proceed for any reason or Circadian or Bell Potter terminates its obligations under the Placement (for whatever reason), this letter will also terminate immediately without any obligation to you on the part of the Company. You have no right of termination of the obligations set out in this letter. Your liability under this letter will cease only when you lodge valid application(s) and pay for your Allocation.

9. REPRESENTATIONS, WARRANTIES AND AGREEMENTS

By submitting an irrevocable offer to subscribe for Placement Shares (and accompanying Options), signing and returning the attached Confirmation Advice to the Company, or accepting the issue of Placement Shares (and accompanying Options) you represent, warrant, acknowledge and agree for the benefit of the Company and Bell Potter and their respective related bodies corporate and any directors, officers, employees, agents or advisers of any of them ("**Affiliates**") that:

- (a) you have received, read and understood, and agree to be bound by and confirm your compliance with applicable provisions of this letter, and any documents or forms attached to this letter;
- (b) the acknowledgements, representations, warranties and agreements in this letter, your executed Confirmation Advice, are true and correct with respect to you, your nominated custodian and any person on whose behalf you are acquiring Placement Shares (and accompanying Options);
- (c) you have the power and authority to enter into and perform your obligations set out in this letter and that neither your Allocation nor the performance by you of your obligations will breach any applicable law;
- (d) your Allocation to subscribe for your allocation of Placement Shares (and accompanying Options) is binding and irrevocable and you will subscribe for, and provide the relevant application monies for, up to the number of Placement Shares specified on your Confirmation Advice if and when called upon by the Company to do so. The provision of the Prospectus (which deals in part with the issue of the Options) to you is strictly for information purposes



only and your irrevocable and binding acceptance of the offer as evidenced by the return of your executed Confirmation Advice is not subject in any way to receipt of the Prospectus or your approval of the Prospectus;

- (e) if you are in Australia you are a "Sophisticated Investor" under section 708(8) of the Corporations Act or a "Professional Investor" under section 708(11) of the Corporations Act and that the Placement Shares (and accompanying Options) were offered to you on the basis that you are and represent that you are a person to whom a prospectus or other disclosure document is not required to be given under Chapter 6D of the Corporations Act in respect of the Placement Shares;
- (f) if you are outside Australia, you are a person to whom an invitation or offer to subscribe for and purchase Placement Shares (and accompanying Options) in the manner contemplated by this letter is permitted by the laws of the jurisdiction in which you are situated, and to whom Placement Shares (and accompanying Options) can lawfully be issued under all applicable laws, without the need for any registration, filing or lodgement. This letter does not constitute an offer to subscribe for Placement Shares (and accompanying Options) in any jurisdiction in which, or to any person to whom, such an offer would be illegal;
- (g) you and each other person, if any, for whose account you are acquiring any Placement Shares (and accompanying Options) have conducted and relied upon your own investigation and assessment of, and have sought any advice you deem necessary from your own advisors regarding, the offer of Placement Shares (and accompanying Options), the Placement Shares (and accompanying Options) and the Company including, without limitation, the particular Australian and United States federal income tax consequences of the offer of Placement Shares (and accompanying Options) and the purchase, ownership, and disposition of the Placement Shares (and accompanying Options) of the Company and the Placement Shares (and accompanying Options) in light of your particular situation as well as any consequences arising under the laws of any other taxing jurisdiction, and, in particular, you have made and relied entirely upon your own assessment as to whether, and the consequences to you if, the issuer of the Placement Shares (and accompanying Options) has been, is, continues to be, or becomes a "passive foreign investment company" ("PFIC") (as defined in Section 1297 of the United States Internal Revenue Code of 1986) for United States federal income tax purposes, and you acknowledge that you have not relied and will not rely to any degree upon, the Company, Bell Potter or any of their respective representatives or affiliates for advice as to any tax consequences related to such investment, or the offer of Placement Shares (and accompanying Options), or the purchase, ownership or disposition of the issuer's ordinary shares, including the Placement Shares (and accompanying Options), or for the preparation and filing of any tax returns and elections required or permitted to be filed by you in connection therewith;
- (h) you are aware that no analysis has been undertaken to determine if Circadian is, or whether, after giving effect to the sale of the Placement Shares (and accompanying Options) (and any contemporaneous sales of securities of Circadian), will be, or will be required to register as, an "investment company" as defined in the United States Investment Company Act of 1940, as amended, and the rules and regulations promulgated thereunder, and you understand that if Circadian were determined to be an investment company, this could adversely affect the price of the Placement Shares (and accompanying Options) and could have a material adverse effect on business;
- (i) you are in compliance with all relevant laws and regulations and will not cease to be in compliance if you apply for Placement Shares (and accompanying Options) on the terms set out in this letter;
- (j) you are not subscribing for Placement Shares (and accompanying Options) for the purpose of selling or transferring the Placement Shares (and accompanying Options) issued to you or granting, issuing or transferring interests in, or options over the Placement Shares (and

accompanying Options) within 12 months after their date of issue. This confirmation is understood to be a statement of present intention only but not an undertaking not to sell, particularly where your investment objectives or market conditions change;

- (k) no disclosure document has been prepared under the Corporations Act in connection with the offer of the Placement Shares;
- (l) you are aware that section 708A(5) of the Corporations Act may not apply to an offer of the Placement Shares for re-sale in the event that the Company does not satisfy the requirements under subsection 708A(5) or the notice given under subsection 708A(5)(e) does not comply with subsection 708A(6) and, in that case, an offer to sell your Placement Shares within 12 months after they are issued will require disclosure under section 707(3) of the Corporations Act, unless an exception applies. In such circumstances, the Company will use its best endeavours to either release a disclosure document within 45 days of the allotment of the relevant Placement Shares in accordance with section 707(3) of the Corporations Act or delay settlement of the relevant Placement Shares for a period of no more than ten business days to allow the Company to release to the market any price sensitive information required to be released prior to the Company lodging a notice in accordance with subsection 708A(5)(e) of the Corporations Act;
- (m) in exercising or refraining from exercising any rights, Circadian, Bell Potter (where applicable) may have sole regard to its own interest, even if that is contrary to your interests. You agree to release Circadian and Bell Potter from any claim of any kind against it arising or resulting from the exercise or non-exercise by Circadian or Bell Potter of any such rights;
- (n) you will ensure that neither you nor any of your Affiliates involved in the Placement makes any formal or informal public statement, direct or indirect, on any matter associated with the Placement which has not been cleared and agreed in advance with the Company and Bell Potter;
- (o) you have such knowledge and experience in financial and business matters that you are capable of evaluating the merits and risks of a subscription for Placement Shares (and accompanying Options), and that an investment in Placement Shares (and accompanying Options) involves a degree of risk;
- (p) you have the financial ability to bear the economic risk of an investment in Placement Shares (and accompanying Options);
- (q) Bell Potter and its Affiliates do not make any warranty or representation as to the accuracy of any information given to you and do not accept any responsibility and exclude and disclaim all liability, except as may not be capable of being excluded by law, for any expense, loss, damage or cost that may be incurred by you or any other person as a result of that information being inaccurate or incomplete in any way for any reason or for any action taken by you on the basis of such information;
- (r) you are aware that publicly available information about Circadian can be obtained from ASX (including its web site <http://www.asx.com.au>) and that certain publicly available information about Circadian can be obtained free of charge from Circadian web site: www.Circadian.com.au;
- (s) you have had access to all information that you believe is necessary or appropriate in connection with your application for Placement Shares (and accompanying Options) and the Placement. You acknowledge and agree that you will not hold Circadian, Bell Potter or any of their Affiliates responsible for any misstatements in, or omissions from, any publicly available information concerning Circadian, the Placement Shares (and accompanying Options) or the Placement;

- (t) you have made and relied upon your own assessment of Circadian and have conducted your own investigation with respect to the Placement Shares (and accompanying Options) and Circadian including, without limitation, the particular tax consequences of subscribing, owning or disposing of Placement Shares (and accompanying Options) in light of your particular situation as well as any consequences arising under the laws of any other taxing jurisdiction, and decided to participate based on your own enquiries, professional advice, and not in reliance upon any act or representation made by Bell Potter;
- (u) you have not relied on any representations made by Circadian, Bell Potter, or any of their Affiliates except as set out in this letter;
- (v) you have not relied on any investigation or research that Bell Potter or any of its Affiliates or any persons acting on its behalf may have conducted with respect to the Placement Shares (and accompanying Options) or Circadian. None of such persons has made any representation to you, express or implied, with respect to the Placement Shares (and accompanying Options) or Circadian;
- (w) this letter does not constitute a securities recommendation or financial product advice and that Circadian and Bell Potter have not considered your particular objectives, financial situation and needs;
- (x) to be bound by the provisions of the constitution of Circadian and the terms of the Options (as set out in the Prospectus) upon allotment of Placement Shares (and accompanying Options) to you. A draft copy of the terms of the Options is attached to this letter strictly for information purposes only and you should note that the terms of the Options are subject to ASX approval and may be changed at the absolute discretion of the Company and without prior notification to you at any time until the Options are issued to you;
- (y) except to the extent that liability cannot by law be excluded, that none of Bell Potter, Circadian or any of their Affiliates, accept any responsibility in relation to the Placement;
- (z) you are not a Related Party (as defined in section 228 of the Corporations Act or treated as such for the purposes of ASX Listing Rule 10.11) of Circadian;
- (aa) you acknowledge and agree that, in order to ensure that US Persons do not purchase any Placement Shares (and accompanying Options) issued to you, a number of procedures governing the trading and clearing of Placement Shares (and accompanying Options) will be implemented, including the application to Placement Shares (and accompanying Options) of the status of Foreign Ownership Restriction (FOR) securities under the ASX Settlement Operating Rules and the addition of the notation "FORUS" to the Placement Share (and accompanying Options) description on ASX trading screens and elsewhere, which will inform the market of the prohibition on US Persons acquiring Shares;
- (bb) if you fail to meet any obligation to apply for all or part of your Allocation by the time required by this letter, Bell Potter may without notice to you apply (or procure on terms that a third party applies) for those Placement Shares (and accompanying Options) and in addition to any other obligations under this agreement you indemnify Bell Potter for any cost or loss associated with so doing (including any loss on sale of those Placement Shares (and accompanying Options) within 6 months of application);
- (cc) the Company is not issuing Placement Shares (and accompanying Options) for the purpose of you selling or transferring them (or granting, issuing or transferring interests in, or options over, them);
- (dd) any issue of Placement Shares (and accompanying Options) to you pursuant to your Allocation is subject to the completion of the Placement;

- (ee) if you are a financial services licensee (as defined in the Corporations Act) that intends to allocate the Placement Shares (and accompanying Options) to persons prior to settlement, each person that receives an allocation of Securities is a "sophisticated investor" or "professional investor" within the meaning of section 708 of the Corporations Act and that you have appropriate records to evidence this;
- (ff) if you are acquiring any Placement Shares (and accompanying Options) for the account of one or more investors, you have the authority to make the representations, warranties, acknowledgements and agreements herein on behalf of each such investor and you will take reasonable steps to ensure that any such investor will comply with their obligations as you have agreed for them;
- (gg) the offer and sale to you of the Placement Shares (and accompanying Options) has not been and will not be registered under the US Securities Act or the laws of any state or other jurisdiction in the US except as permitted under the US Securities Act pursuant to registration or to an exemption from registration. Therefore, you agree that you may not and will not offer, sell, pledge, transfer or otherwise dispose of any Placement Shares (and accompanying Options) in the US or for the account or benefit of a US Person (as defined in Regulation S of the US Securities Act) ("**US Person**") unless and until the Placement Shares (and accompanying Options) are registered under the US Securities Act (which you acknowledge Circadian has no obligation to do) or offered, sold, pledged, transferred or otherwise disposed of in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act or the laws of any state or other jurisdiction in the US;
- (hh) you will not engage in hedging transactions with regard to the Placement Shares (and accompanying Options); and
- (ii) Circadian, Bell Potter and their Affiliates will rely upon the truth and accuracy of the foregoing acknowledgments, representations, warranties and agreements and agree that if any such acknowledgments, representations or warranties are no longer accurate, you will notify Circadian and Bell Potter immediately. You unconditionally and irrevocably indemnify Circadian, Bell Potter and their Affiliates against any claims, demands, loss, damages, costs, expenses and liabilities suffered or incurred directly or indirectly and arising out of or in relation to any breach by you of the acknowledgments, representations, warranties and agreements under this letter. If you have material non-public information regarding the Company, insider trading restrictions may apply to you, and that you will not, and will not cause any other person to, acquire any of the Company's securities after you have had access to material non-public information if doing so would be a breach of insider trading restrictions.
- (jj) If you are an entity, you are an entity duly organized, validly existing and in good standing under the laws of the jurisdiction of your organization with full right, corporate or partnership power and authority to enter into and to consummate the transactions contemplated by this letter and otherwise to carry out your obligations hereunder and thereunder. The execution and delivery of this letter and performance by you of the transactions contemplated by this letter have been duly authorized by all necessary corporate or similar action on your part. Each document relating to the transactions contemplated by this letter to which you are a party has been duly executed by you, and when delivered by you in accordance with the terms hereof, will constitute the valid and legally binding obligation, enforceable against you in accordance with its terms, except: (i) as limited by general equitable principles and applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors' rights generally, (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies and (iii) insofar as indemnification and contribution provisions may be limited by applicable law;
- (kk) if you are a US Person, you are acquiring the Placement Shares (and accompanying Options) as principal for your own account have no direct or indirect arrangement or understandings



with any other persons to distribute or regarding the distribution of such Placement Shares (and accompanying Options) (this representation and warranty not limiting your right to sell the Placement Shares (and accompanying Options) pursuant to a Registration Statement or otherwise in compliance with applicable United States federal and state securities laws) in violation of the US Securities Act or any applicable state securities law. You are acquiring the Placement Shares (and accompanying Options) hereunder in the ordinary course of your business;

- (ll) if you are a US Person, at the time you were offered the Placement Shares (and accompanying Options), you were, and as of the date hereof you are: (i) an "accredited investor" as defined in Rule 501(a)(1), (a)(2), (a)(3), (a)(7) or (a)(8) under the US Securities Act or (ii) a "qualified institutional buyer" as defined in Rule 144A(a) under the US Securities Act;
- (mm) if you are a US Person, you, either alone or together with your representatives, have such knowledge, sophistication and experience in business and financial matters so as to be capable of evaluating the merits and risks of the prospective investment in the Placement Shares (and accompanying Options), and have so evaluated the merits and risks of such investment. You are able to bear the economic risk of an investment in the Placement Shares (and accompanying Options) and, at the present time, are able to afford a complete loss of such investment; and
- (nn) if you are a US Person, you acknowledge and agree that you are acting solely in the capacity of an arm's length purchaser with respect to the documents relating to the transactions contemplated by this letter and with respect to such transactions. You also acknowledge that you are not acting as a financial advisor or fiduciary of the Company (or in any similar capacity) with respect to the documents relating to the transactions contemplated by this letter and with respect to such transactions and any advice given by you or any of your respective representatives or agents in connection with the documents relating to the transactions contemplated by this letter and with respect to such transactions is merely incidental to your purchase of the Placement Shares (and accompanying Options).

The investor further acknowledges and agrees that the Company will hold the benefit of each of the representations, warranties, conditions and undertakings given by the investor in this letter on behalf, and for the benefit of Bell Potter.

10. SETTLEMENT

Please complete the **Confirmation Advice** attached, confirming your binding, irrevocable and unconditional acceptance of the offer of Placement Shares (and accompanying Options) and your investor registration details, and return it to Bell Potter by facsimile or email by no later than 9:00AM Melbourne time Thursday 2 October 2014 Attention: Megan Baldwin Megan Baldwin megan.baldwin@opthea.com. You may not withdraw the Confirmation Advice after it has been submitted to Circadian.

Settlement of the transaction is to be via CHESS DvP. On the settlement date we will require you to settle the full amount as is detailed above.

The Company will apply to the ASX to obtain quotation of the Placement Shares on the official list of ASX following allotment of the relevant Placement Shares. The National Guarantee Fund will not cover settlement of transactions before commencement of trading of the Placement Shares on ASX. As indicated above, subject to receipt of approval from the ASX, the Company intends to seek quotation of the Options on the official list of ASX but no guarantee is provided that ASX will grant such quotation.



If you fail to apply for all or part of the Placement Shares (and accompanying Options) by the time required by this letter, Bell Potter may without notice to you apply (or procure that a third party applies) for those Placement Shares (and accompanying Options) and, in addition to any other obligations under this letter, you indemnify Bell Potter for any cost or loss associated with so doing (including any loss on sale of the Placement Shares (and accompanying Options)).

All settlement queries should be directed to Bell Potter via Les Blake on +61 2 8224 2832.

11. DISCLOSURE OF INTEREST

The Directors of Bell Potter advise that they and persons associated with them may have an interest in the Placement Shares (and accompanying Options) and that they may earn brokerage, commissions, fees and other benefits and advantages, whether pecuniary or not and whether direct or indirect, in connection with the making of a recommendation or a dealing by a client in these shares, and which may reasonably be expected to be capable of having an influence in the making of any recommendation, and that some or all of our Proper Authority holders may be remunerated wholly or partly by way of commission. As Lead Manager to the Placement, Bell Potter is entitled to earn fees.

12. OTHER TERMS AND CONDITIONS

You acknowledge that:

- (a) the agreement between you and Bell Potter (as agent of the Company) arising out of your acceptance of the terms of your Allocation shall be governed by the laws of Victoria and you are obliged to submit to the non-exclusive jurisdiction of the Courts of that State;
- (b) the terms contained in this letter including without limitation your executed Allocation Confirmation Advice constitute the entire agreement between you, the Company and Bell Potter as to the Placement and your participation in the Placement to the exclusion of all prior representations, understandings and agreements between you, the Company and Bell Potter; and
- (c) this letter of offer may be accepted by execution in counterpart (including by facsimile) which taken together with this letter shall constitute one and the same instrument. A facsimile bearing the signature of any of the persons, printed mechanically with its authority, shall be deemed to be this letter signed by each person.

13. IMPORTANT NOTES

Bell Potter makes or gives no warranties as to the accuracy or completeness of any disclosures by the Company. You must rely on your own enquiries and advice in respect to this investment. Participation in the Placement should be considered speculative. Bell Potter is not your fiduciary or a fiduciary of the Company for the purposes of the Placement. Bell Potter and/or its representatives may own shares and/or other securities in the Company. This position is subject to change without notice.

Any questions on the Company or these arrangements should be directed to Anton Whitehead of Bell Potter on +61 3 9235 1803.

Yours sincerely

Circadian Technologies Limited



Dominique Fisher
Director



Megan Baldwin
Director



Confirmation of Allocation ("Confirmation Advice")

Please sign and return this Confirmation of Allocation Form to the Company by
9:00AM (Melbourne time), Thursday 2 October 2014

To: Circadian Technologies Limited

Attention: Megan Baldwin

Email: megan.baldwin@opthea.com

Firm allocation of Shares by Circadian @ A\$0.175 per Placement Share

Applicant: Investment 10, L.L.C.

ISSUE PRICE	QUANTITY (Shares)	SUBSCRIPTION AMOUNT (\$A)	SETTLEMENT DATE
A\$0.175 per Placement Share	2,500,186	A\$437,532.55	24 November 2014
Free accompanying Options	1,250,093	Nil	N/A

The Applicant refers to the contract made with Circadian as detailed in the letter to the Applicant dated Wednesday 1 October 2014 (the "Letter").

I am/We are pleased to confirm my/our previous firm and irrevocable acceptance of Placement Shares (and accompanying Options) in the Placement, subject to the fulfilment of the Condition, on the terms and conditions as detailed in the Letter and confirm that I/We qualify under one of the sophisticated/professional investor exemptions under sections 9 and 708 of the Corporations Act 2001 as set out in the annexure to the letter or are otherwise permitted to receive Shares under the Placement as contemplated in the Letter.


Terms defined in the Letter have the same meaning when used in this Confirmation Advice, unless stated otherwise. I am authorised to provide this notice on behalf of the organisation named below.

PLEASE COMPLETE REGISTRATION DETAILS BELOW

Company/Account Name: Investment 10, L.L.C.	
Account Designation:	
Settlement Contact Name: Spike Loy	
E-Mail: loy@bvfp.com	
Telephone: 415-525-8890	Fax:

DETAILS OF AUTHORISED SIGNATORY

AUTHORISED SIGNATORY

Name: Mark Lampert	Signature: 
Title: President, BVF Inc., itself GP, BVF Partners L.P., itself attorney-in fact of Investment 10, L.L.C.	
Organisation:	Date: 10/1/14

Circadian Technologies Limited
Level 4, Level 4/650 Chapel Street South Yarra 3141 Victoria Australia
T +61 (3) 9826 0389 F +61 (3) 9824 0063 www.circadian.com.au

Annexure D – MSI BVF SPV, LLC Placement Subscription Letter

1 October 2014

MSI BVF SPV, L.L.C.
Attn: Michael Murray
Email: murray@bvflp.com

Dear Sir / Madam,

Placement of ordinary shares in Circadian Technologies Limited ("Circadian" or the "Company")

1. INTRODUCTION

Circadian is proposing to undertake a private placement of new fully paid ordinary shares ("**Shares**") on the terms set out in this letter ("**Placement**").

Circadian has mandated Bell Potter Securities Limited ("**Bell Potter**") to act as lead manager and bookrunner ("**Lead Manager**") to the Placement to eligible institutional and sophisticated investors in Australia and overseas. The Company is seeking to raise between A\$12.5 to A\$14.0m by way of placement of between 71.4m to 80.0m Shares ("**Placement Shares**") at A\$0.175 per Placement Share ("**Placement Price**") under the Placement. In addition the Company will conduct a Non-Renounceable 2 for 5 Entitlement Offer at A\$0.175 to eligible shareholders to raise up to A\$3.4m ("**Entitlement Shares**"). Investors issued with the Placement Shares and Entitlement Shares will also be issued with options over fully paid ordinary shares in the Company on a 1:2 basis ("**Options**"). The Options will be issued at nil issue price and are exercisable any time until 25 November 2018 at an exercise price of A\$0.27 per Option. Subject to receipt of approval from the Australian Securities Exchange ("**ASX**"), the Company intends to seek quotation of the Options on the official list of ASX.

The issue of the Placement Securities Shares is conditional on the Company receiving shareholder approval under ASX Listing Rule 7.1 at the Annual General Meeting ("**Meeting**") which is expected to be held on or around Tuesday 18 November 2014 ("**Condition**").

Circadian is pleased to confirm acceptance of your offer to subscribe for Placement Shares (and accompanying Options) under the Placement on the terms set out in this letter. Your acceptance of this offer to subscribe for Placement Shares (and accompanying Options) gives rise to a binding and irrevocable agreement by you to subscribe for and acquire the number of Placement Shares (and accompanying Options) specified in the table in Section 3 below and pay the application monies in accordance with the settlement instructions set out in this letter.

2. DETAILS OF THE PLACEMENT

The following are the principal details of the Placement:

Amount of Placement	A\$12.5 to A\$14.0 million
Placement Shares	Approximately 71.4m to 80.0m Shares in the Company to be issued subject to shareholder approval under ASX Listing Rule 7.1 at the upcoming Annual General Meeting on or around 18 November 2014.
Placement Price	A\$0.175 per Placement Share. The Options will be issued on a 1:2 basis for nil consideration.
Eligibility To Entitlement Offer	Placement Shares (and accompanying Options) <u>will not</u> be eligible to participate in the Entitlement Offer.
Use of Proceeds	<p>IND Filed: The following activities must be completed to support IND filing:</p> <ul style="list-style-type: none"> - Scale up & manufacture of OPT-302 drug product - Fill-finish of drug product (single use vials, suitable for ocular admin) - Preclinical safety/toxicology testing and pharmacokinetic studies (including studies in non-human primates) - Bioanalytical method development and analysis of samples from safety/tox program - Phase I clinical planning, obtaining regulatory and ethics approval (incl FDA and clinical site preparation and principle investigator selection) <p>Phase I Clinical Study Complete:</p> <ul style="list-style-type: none"> - Clinical site/s ethics approval, site audits, set-up - Patient recruitment, OPT-302 dosing and follow up - Data analysis and statistical evaluation of dose ascending cohorts - To establish safety/tolerability in humans, inform dose selection for Ph II, PH/biomarker information, early indicators and efficacy <p>Phase I/IIa (Dose Expansion) Clinical Study Complete:</p> <ul style="list-style-type: none"> - Management of patient recruitment, dosing and data analysis for dose expansion cohorts - Data provides additional safety/tolerability information and additional opportunity to demonstrate therapeutic efficacy <p>Phase II (Proof of Concept)</p> <ul style="list-style-type: none"> - Phase II Clinical site/s ethics approval, site audits, set-up - Patient recruitment, OPT-302 dosing and follow-up - Data analysis and statistical evaluation and randomised arms - Trial to generate proof of concept efficacy data, statistically powered, randomised, controlled <p>Working Capital</p> <ul style="list-style-type: none"> - General working capital requirements

The Placement will be made available to Australian investors who qualify as professional or sophisticated investors under the requirements of sections 9 and 708 of the Corporations Act 2001 (Cth) (the "**Corporations Act**") so that the offer and issue of Placement Shares does not require disclosure under Chapter 6D of the Corporations Act and to international investors (outside the US) who fall within a relevant exemption from disclosure in the applicable jurisdiction ("**Participants**").



The Options will be issued to all investors via a reduced content prospectus pursuant to section 713 of the Corporations Act ("**Prospectus**"). The Prospectus will be sent to investors under the Placement on or around Monday 20 October 2014 for information purposes only.

With respect to investors in the United States, this Placement will be made available to (a) "accredited investors" as that term is defined in Rule 501(a)(1), (a)(2), (a)(3), (a)(7) or (a)(8) of Regulation D as promulgated by the United States Securities and Exchange Commission (the "**SEC**") under the Securities Act of 1933, as amended (the "**US Securities Act**") and (b) "qualified institutional buyers" as that term is defined in Rule 144A(a) under the US Securities Act.

The information in this letter is confidential and is subject to any confidentiality obligations you have agreed with Bell Potter or the Company.

Bell Potter will act as the settlement agent on behalf of all participants.

3. PLACEMENT OFFER

We are pleased to have accepted your firm and irrevocable allocation of Placement Shares (and accompanying Options) ("**Allocation**"), as detailed in the table below.

Applicant: MSI BVF SPV, L.L.C.

ISSUE PRICE	QUANTITY (Shares)	SUBSCRIPTION AMOUNT (\$A)	SETTLEMENT DATE
A\$0.175 per Placement Share	3,294,117	A\$576,470.48	Monday 24 November
Free accompanying Options	1,647,058	Nil	N/A

By signing and returning the attached Confirmation Advice you are confirming your irrevocable agreement to apply for the allotment and issue to you of the number of Placement Shares (and accompanying Options) set out above on the terms set out in this letter without the need for any separate instrument of application by you.

Upon receipt of your signed Confirmation Advice, the Company agrees to allot and issue to you the number of Placement Shares (and accompanying Options) set out above on a delivery versus payment ("**DvP**") basis.

Upon the allotment of Placement Shares (and accompanying Options) to you, you:

- (a) accept the Placement Shares (and accompanying Options) issued to you on the terms of the offer as set out in this letter;
- (b) agree to be bound by the Company's constitution; and
- (c) authorise your name to be placed on the register of members of the Company as the legal owner of the Placement Shares (and accompanying Options) issued to you.

By signing and returning the attached Confirmation Advice, you acknowledge that the Placement Shares (and accompanying Options) have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**US Securities Act**") or the laws of any state or jurisdiction in the United States, and therefore you covenant and agree not to offer, sell, pledge, transfer or

otherwise dispose of the Placement Shares (and accompanying Options) except as permitted under the US Securities Act pursuant to registration or to an exemption from registration.

4. INDICATIVE TIMETABLE

The **indicative** timetable for the Placement is as follows:

Event	Date
Proposed capital raising announced on the ASX	Monday 6 October 2014
Record date for Entitlement Offer	Wednesday 15 October 2014
AGM notice dispatched with Prospectus and Entitlement Offer documentation to existing shareholders and dispatch of Prospectus to Placement investors (for information purposes only)	Monday 20 October 2014
Annual General Meeting to approve Placement	Tuesday 18 November 2014
Placement settlement via DvP	Monday 24 November 2014
Placement Shares and accompanying Options allotment date	Tuesday 25 November 2014

Note:

1. The above timetable is indicative only and may change without consultation with you and subject to the terms of this letter, you are bound by the agreement arising from your acceptance of this offer notwithstanding any such changes to the timetable.
2. All times above are references to Melbourne, Australia (AEST) time.

The Company reserves the right not to proceed with the Placement or any part of it at any time before the allotment of Placement Shares (and accompanying Options) to you. If the Placement or any part of it does not proceed or is cancelled, all relevant subscription monies relating to the cancelled part of the Placement will be refunded (without interest).

5. RIGHTS ATTACHING TO THE PLACEMENT SHARES

The Company has warranted to the Lead Manager that the Placement Shares will be fully paid, validly issued and will rank equally in all respects with existing Shares from allotment. However, it should be noted that allotment occurs after the Entitlement Offer record date. As such Placement Shares (and accompanying Options) will not be eligible to participate in the Entitlement Offer. The Company has agreed to apply to ASX for official quotation of the Placement Shares on ASX. The Company also intends to seek quotation of the Options on the official list of ASX but no guarantee is provided that ASX will grant such quotation. Please note that Market Participants (as defined in the ASX Market Rules) cannot deal in the Placement Shares (and accompanying Options) either as principal or agent until official quotation is granted in respect of the Placement Shares (and accompanying Options). The Company has represented and warranted to the Lead Manager that:

- (a) the offer of the Placement Shares will be undertaken in compliance with section 708A of the Corporations Act and the Company is not aware of any condition or requirement of such provision that it will not be able to satisfy for the purposes of the Placement;
- (b) no ASIC determination under subsections 708A(2) is in force in relation to the Company; and
- (c) it is not issuing the Placement Shares with the purpose of the persons to whom they are issued selling or transferring the securities, or granting, issuing or transferring interest in or options or warrants over them.

You should inform yourself as to the terms of sections 707, 708, and 708A of the Corporations Act (which may affect your ability to resell your Placement Shares).

6. ALLOCATION PERSONAL

As you have made an irrevocable offer to subscribe for Placement Shares (and accompanying Options), those Placement Shares (and accompanying Options) will be issued to you personally and you may not, prior to official quotation of the Placement Shares, (and accompanying Options) assign, transfer, or in any other manner, deal with your rights or obligations under this letter, without the prior written agreement of the Lead Manager. Where you accepted the offer of Placement Shares (and accompanying Options) on behalf of your clients you must ensure that any such client performs its obligations herein.

7. COMMISSION

No commission is payable to you in relation to the Placement.

No additional brokerage or commission will be payable to you in respect of applications for the Placement Shares (and accompanying Options) which also bear a broker's or dealer's certification stamp.

You must pay your own costs in connection with the Placement.

8. TERMINATION

If the Placement does not proceed for any reason or Circadian or Bell Potter terminates its obligations under the Placement (for whatever reason), this letter will also terminate immediately without any obligation to you on the part of the Company. You have no right of termination of the obligations set out in this letter. Your liability under this letter will cease only when you lodge valid application(s) and pay for your Allocation.

9. REPRESENTATIONS, WARRANTIES AND AGREEMENTS

By submitting an irrevocable offer to subscribe for Placement Shares (and accompanying Options), signing and returning the attached Confirmation Advice to the Company, or accepting the issue of Placement Shares (and accompanying Options) you represent, warrant, acknowledge and agree for the benefit of the Company and Bell Potter and their respective related bodies corporate and any directors, officers, employees, agents or advisers of any of them ("**Affiliates**") that:

- (a) you have received, read and understood, and agree to be bound by and confirm your compliance with applicable provisions of this letter, and any documents or forms attached to this letter;
- (b) the acknowledgements, representations, warranties and agreements in this letter, your executed Confirmation Advice, are true and correct with respect to you, your nominated custodian and any person on whose behalf you are acquiring Placement Shares (and accompanying Options);
- (c) you have the power and authority to enter into and perform your obligations set out in this letter and that neither your Allocation nor the performance by you of your obligations will breach any applicable law;
- (d) your Allocation to subscribe for your allocation of Placement Shares (and accompanying Options) is binding and irrevocable and you will subscribe for, and provide the relevant application monies for, up to the number of Placement Shares specified on your Confirmation Advice if and when called upon by the Company to do so. The provision of the Prospectus (which deals in part with the issue of the Options) to you is strictly for information purposes



only and your irrevocable and binding acceptance of the offer as evidenced by the return of your executed Confirmation Advice is not subject in any way to receipt of the Prospectus or your approval of the Prospectus;

- (e) if you are in Australia you are a "Sophisticated Investor" under section 708(8) of the Corporations Act or a "Professional Investor" under section 708(11) of the Corporations Act and that the Placement Shares (and accompanying Options) were offered to you on the basis that you are and represent that you are a person to whom a prospectus or other disclosure document is not required to be given under Chapter 6D of the Corporations Act in respect of the Placement Shares;
- (f) if you are outside Australia, you are a person to whom an invitation or offer to subscribe for and purchase Placement Shares (and accompanying Options) in the manner contemplated by this letter is permitted by the laws of the jurisdiction in which you are situated, and to whom Placement Shares (and accompanying Options) can lawfully be issued under all applicable laws, without the need for any registration, filing or lodgement. This letter does not constitute an offer to subscribe for Placement Shares (and accompanying Options) in any jurisdiction in which, or to any person to whom, such an offer would be illegal;
- (g) you and each other person, if any, for whose account you are acquiring any Placement Shares (and accompanying Options) have conducted and relied upon your own investigation and assessment of, and have sought any advice you deem necessary from your own advisors regarding, the offer of Placement Shares (and accompanying Options), the Placement Shares (and accompanying Options) and the Company including, without limitation, the particular Australian and United States federal income tax consequences of the offer of Placement Shares (and accompanying Options) and the purchase, ownership, and disposition of the Placement Shares (and accompanying Options) of the Company and the Placement Shares (and accompanying Options) in light of your particular situation as well as any consequences arising under the laws of any other taxing jurisdiction, and, in particular, you have made and relied entirely upon your own assessment as to whether, and the consequences to you if, the issuer of the Placement Shares (and accompanying Options) has been, is, continues to be, or becomes a "passive foreign investment company" ("PFIC") (as defined in Section 1297 of the United States Internal Revenue Code of 1986) for United States federal income tax purposes, and you acknowledge that you have not relied and will not rely to any degree upon, the Company, Bell Potter or any of their respective representatives or affiliates for advice as to any tax consequences related to such investment, or the offer of Placement Shares (and accompanying Options), or the purchase, ownership or disposition of the issuer's ordinary shares, including the Placement Shares (and accompanying Options), or for the preparation and filing of any tax returns and elections required or permitted to be filed by you in connection therewith;
- (h) you are aware that no analysis has been undertaken to determine if Circadian is, or whether, after giving effect to the sale of the Placement Shares (and accompanying Options) (and any contemporaneous sales of securities of Circadian), will be, or will be required to register as, an "investment company" as defined in the United States Investment Company Act of 1940, as amended, and the rules and regulations promulgated thereunder, and you understand that if Circadian were determined to be an investment company, this could adversely affect the price of the Placement Shares (and accompanying Options) and could have a material adverse effect on business;
- (i) you are in compliance with all relevant laws and regulations and will not cease to be in compliance if you apply for Placement Shares (and accompanying Options) on the terms set out in this letter;
- (j) you are not subscribing for Placement Shares (and accompanying Options) for the purpose of selling or transferring the Placement Shares (and accompanying Options) issued to you or granting, issuing or transferring interests in, or options over the Placement Shares (and



accompanying Options) within 12 months after their date of issue. This confirmation is understood to be a statement of present intention only but not an undertaking not to sell, particularly where your investment objectives or market conditions change;

- (k) no disclosure document has been prepared under the Corporations Act in connection with the offer of the Placement Shares;
- (l) you are aware that section 708A(5) of the Corporations Act may not apply to an offer of the Placement Shares for re-sale in the event that the Company does not satisfy the requirements under subsection 708A(5) or the notice given under subsection 708A(5)(e) does not comply with subsection 708A(6) and, in that case, an offer to sell your Placement Shares within 12 months after they are issued will require disclosure under section 707(3) of the Corporations Act, unless an exception applies. In such circumstances, the Company will use its best endeavours to either release a disclosure document within 45 days of the allotment of the relevant Placement Shares in accordance with section 707(3) of the Corporations Act or delay settlement of the relevant Placement Shares for a period of no more than ten business days to allow the Company to release to the market any price sensitive information required to be released prior to the Company lodging a notice in accordance with subsection 708A(5)(e) of the Corporations Act;
- (m) in exercising or refraining from exercising any rights, Circadian, Bell Potter (where applicable) may have sole regard to its own interest, even if that is contrary to your interests. You agree to release Circadian and Bell Potter from any claim of any kind against it arising or resulting from the exercise or non-exercise by Circadian or Bell Potter of any such rights;
- (n) you will ensure that neither you nor any of your Affiliates involved in the Placement makes any formal or informal public statement, direct or indirect, on any matter associated with the Placement which has not been cleared and agreed in advance with the Company and Bell Potter;
- (o) you have such knowledge and experience in financial and business matters that you are capable of evaluating the merits and risks of a subscription for Placement Shares (and accompanying Options), and that an investment in Placement Shares (and accompanying Options) involves a degree of risk;
- (p) you have the financial ability to bear the economic risk of an investment in Placement Shares (and accompanying Options);
- (q) Bell Potter and its Affiliates do not make any warranty or representation as to the accuracy of any information given to you and do not accept any responsibility and exclude and disclaim all liability, except as may not be capable of being excluded by law, for any expense, loss, damage or cost that may be incurred by you or any other person as a result of that information being inaccurate or incomplete in any way for any reason or for any action taken by you on the basis of such information;
- (r) you are aware that publicly available information about Circadian can be obtained from ASX (including its web site <http://www.asx.com.au>) and that certain publicly available information about Circadian can be obtained free of charge from Circadian web site: www.Circadian.com.au;
- (s) you have had access to all information that you believe is necessary or appropriate in connection with your application for Placement Shares (and accompanying Options) and the Placement. You acknowledge and agree that you will not hold Circadian, Bell Potter or any of their Affiliates responsible for any misstatements in, or omissions from, any publicly available information concerning Circadian, the Placement Shares (and accompanying Options) or the Placement;

- (t) you have made and relied upon your own assessment of Circadian and have conducted your own investigation with respect to the Placement Shares (and accompanying Options) and Circadian including, without limitation, the particular tax consequences of subscribing, owning or disposing of Placement Shares (and accompanying Options) in light of your particular situation as well as any consequences arising under the laws of any other taxing jurisdiction, and decided to participate based on your own enquiries, professional advice, and not in reliance upon any act or representation made by Bell Potter;
- (u) you have not relied on any representations made by Circadian, Bell Potter, or any of their Affiliates except as set out in this letter;
- (v) you have not relied on any investigation or research that Bell Potter or any of its Affiliates or any persons acting on its behalf may have conducted with respect to the Placement Shares (and accompanying Options) or Circadian. None of such persons has made any representation to you, express or implied, with respect to the Placement Shares (and accompanying Options) or Circadian;
- (w) this letter does not constitute a securities recommendation or financial product advice and that Circadian and Bell Potter have not considered your particular objectives, financial situation and needs;
- (x) to be bound by the provisions of the constitution of Circadian and the terms of the Options (as set out in the Prospectus) upon allotment of Placement Shares (and accompanying Options) to you. A draft copy of the terms of the Options is attached to this letter strictly for information purposes only and you should note that the terms of the Options are subject to ASX approval and may be changed at the absolute discretion of the Company and without prior notification to you at any time until the Options are issued to you;
- (y) except to the extent that liability cannot by law be excluded, that none of Bell Potter, Circadian or any of their Affiliates, accept any responsibility in relation to the Placement;
- (z) you are not a Related Party (as defined in section 228 of the Corporations Act or treated as such for the purposes of ASX Listing Rule 10.11) of Circadian;
- (aa) you acknowledge and agree that, in order to ensure that US Persons do not purchase any Placement Shares (and accompanying Options) issued to you, a number of procedures governing the trading and clearing of Placement Shares (and accompanying Options) will be implemented, including the application to Placement Shares (and accompanying Options) of the status of Foreign Ownership Restriction (FOR) securities under the ASX Settlement Operating Rules and the addition of the notation "FORUS" to the Placement Share (and accompanying Options) description on ASX trading screens and elsewhere, which will inform the market of the prohibition on US Persons acquiring Shares;
- (bb) if you fail to meet any obligation to apply for all or part of your Allocation by the time required by this letter, Bell Potter may without notice to you apply (or procure on terms that a third party applies) for those Placement Shares (and accompanying Options) and in addition to any other obligations under this agreement you indemnify Bell Potter for any cost or loss associated with so doing (including any loss on sale of those Placement Shares (and accompanying Options) within 6 months of application);
- (cc) the Company is not issuing Placement Shares (and accompanying Options) for the purpose of you selling or transferring them (or granting, issuing or transferring interests in, or options over, them);
- (dd) any issue of Placement Shares (and accompanying Options) to you pursuant to your Allocation is subject to the completion of the Placement;

- (ee) if you are a financial services licensee (as defined in the Corporations Act) that intends to allocate the Placement Shares (and accompanying Options) to persons prior to settlement, each person that receives an allocation of Securities is a "sophisticated investor" or "professional investor" within the meaning of section 708 of the Corporations Act and that you have appropriate records to evidence this;
- (ff) if you are acquiring any Placement Shares (and accompanying Options) for the account of one or more investors, you have the authority to make the representations, warranties, acknowledgements and agreements herein on behalf of each such investor and you will take reasonable steps to ensure that any such investor will comply with their obligations as you have agreed for them;
- (gg) the offer and sale to you of the Placement Shares (and accompanying Options) has not been and will not be registered under the US Securities Act or the laws of any state or other jurisdiction in the US except as permitted under the US Securities Act pursuant to registration or to an exemption from registration. Therefore, you agree that you may not and will not offer, sell, pledge, transfer or otherwise dispose of any Placement Shares (and accompanying Options) in the US or for the account or benefit of a US Person (as defined in Regulation S of the US Securities Act) ("**US Person**") unless and until the Placement Shares (and accompanying Options) are registered under the US Securities Act (which you acknowledge Circadian has no obligation to do) or offered, sold, pledged, transferred or otherwise disposed of in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act or the laws of any state or other jurisdiction in the US;
- (hh) you will not engage in hedging transactions with regard to the Placement Shares (and accompanying Options); and
- (ii) Circadian, Bell Potter and their Affiliates will rely upon the truth and accuracy of the foregoing acknowledgments, representations, warranties and agreements and agree that if any such acknowledgments, representations or warranties are no longer accurate, you will notify Circadian and Bell Potter immediately. You unconditionally and irrevocably indemnify Circadian, Bell Potter and their Affiliates against any claims, demands, loss, damages, costs, expenses and liabilities suffered or incurred directly or indirectly and arising out of or in relation to any breach by you of the acknowledgments, representations, warranties and agreements under this letter. If you have material non-public information regarding the Company, insider trading restrictions may apply to you, and that you will not, and will not cause any other person to, acquire any of the Company's securities after you have had access to material non-public information if doing so would be a breach of insider trading restrictions.
- (jj) If you are an entity, you are an entity duly organized, validly existing and in good standing under the laws of the jurisdiction of your organization with full right, corporate or partnership power and authority to enter into and to consummate the transactions contemplated by this letter and otherwise to carry out your obligations hereunder and thereunder. The execution and delivery of this letter and performance by you of the transactions contemplated by this letter have been duly authorized by all necessary corporate or similar action on your part. Each document relating to the transactions contemplated by this letter to which you are a party has been duly executed by you, and when delivered by you in accordance with the terms hereof, will constitute the valid and legally binding obligation, enforceable against you in accordance with its terms, except: (i) as limited by general equitable principles and applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors' rights generally, (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies and (iii) insofar as indemnification and contribution provisions may be limited by applicable law;
- (kk) if you are a US Person, you are acquiring the Placement Shares (and accompanying Options) as principal for your own account have no direct or indirect arrangement or understandings

with any other persons to distribute or regarding the distribution of such Placement Shares (and accompanying Options) (this representation and warranty not limiting your right to sell the Placement Shares (and accompanying Options) pursuant to a Registration Statement or otherwise in compliance with applicable United States federal and state securities laws) in violation of the US Securities Act or any applicable state securities law. You are acquiring the Placement Shares (and accompanying Options) hereunder in the ordinary course of your business;

- (II) if you are a US Person, at the time you were offered the Placement Shares (and accompanying Options), you were, and as of the date hereof you are: (i) an "accredited investor" as defined in Rule 501(a)(1), (a)(2), (a)(3), (a)(7) or (a)(8) under the US Securities Act or (ii) a "qualified institutional buyer" as defined in Rule 144A(a) under the US Securities Act;
- (mm) if you are a US Person, you, either alone or together with your representatives, have such knowledge, sophistication and experience in business and financial matters so as to be capable of evaluating the merits and risks of the prospective investment in the Placement Shares (and accompanying Options), and have so evaluated the merits and risks of such investment. You are able to bear the economic risk of an investment in the Placement Shares (and accompanying Options) and, at the present time, are able to afford a complete loss of such investment; and
- (nn) if you are a US Person, you acknowledge and agree that you are acting solely in the capacity of an arm's length purchaser with respect to the documents relating to the transactions contemplated by this letter and with respect to such transactions. You also acknowledge that you are not acting as a financial advisor or fiduciary of the Company (or in any similar capacity) with respect to the documents relating to the transactions contemplated by this letter and with respect to such transactions and any advice given by you or any of your respective representatives or agents in connection with the documents relating to the transactions contemplated by this letter and with respect to such transactions is merely incidental to your purchase of the Placement Shares (and accompanying Options).

The investor further acknowledges and agrees that the Company will hold the benefit of each of the representations, warranties, conditions and undertakings given by the investor in this letter on behalf, and for the benefit of Bell Potter.

10. SETTLEMENT

Please complete the **Confirmation Advice** attached, confirming your binding, irrevocable and unconditional acceptance of the offer of Placement Shares (and accompanying Options) and your investor registration details, and return it to Bell Potter by facsimile or email by no later than 9:00AM Melbourne time Thursday 2 October 2014 Attention: Megan Baldwin Megan Baldwin megan.baldwin@opthea.com. You may not withdraw the Confirmation Advice after it has been submitted to Circadian.

Settlement of the transaction is to be via CHESS DvP. On the settlement date we will require you to settle the full amount as is detailed above.

The Company will apply to the ASX to obtain quotation of the Placement Shares on the official list of ASX following allotment of the relevant Placement Shares. The National Guarantee Fund will not cover settlement of transactions before commencement of trading of the Placement Shares on ASX. As indicated above, subject to receipt of approval from the ASX, the Company intends to seek quotation of the Options on the official list of ASX but no guarantee is provided that ASX will grant such quotation.

If you fail to apply for all or part of the Placement Shares (and accompanying Options) by the time required by this letter, Bell Potter may without notice to you apply (or procure that a third party applies) for those Placement Shares (and accompanying Options) and, in addition to any other obligations under this letter, you indemnify Bell Potter for any cost or loss associated with so doing (including any loss on sale of the Placement Shares (and accompanying Options)).

All settlement queries should be directed to Bell Potter via Les Blake on +61 2 8224 2832.

11. DISCLOSURE OF INTEREST

The Directors of Bell Potter advise that they and persons associated with them may have an interest in the Placement Shares (and accompanying Options) and that they may earn brokerage, commissions, fees and other benefits and advantages, whether pecuniary or not and whether direct or indirect, in connection with the making of a recommendation or a dealing by a client in these shares, and which may reasonably be expected to be capable of having an influence in the making of any recommendation, and that some or all of our Proper Authority holders may be remunerated wholly or partly by way of commission. As Lead Manager to the Placement, Bell Potter is entitled to earn fees.

12. OTHER TERMS AND CONDITIONS

You acknowledge that:

- (a) the agreement between you and Bell Potter (as agent of the Company) arising out of your acceptance of the terms of your Allocation shall be governed by the laws of Victoria and you are obliged to submit to the non-exclusive jurisdiction of the Courts of that State;
- (b) the terms contained in this letter including without limitation your executed Allocation Confirmation Advice constitute the entire agreement between you, the Company and Bell Potter as to the Placement and your participation in the Placement to the exclusion of all prior representations, understandings and agreements between you, the Company and Bell Potter; and
- (c) this letter of offer may be accepted by execution in counterpart (including by facsimile) which taken together with this letter shall constitute one and the same instrument. A facsimile bearing the signature of any of the persons, printed mechanically with its authority, shall be deemed to be this letter signed by each person.

13. IMPORTANT NOTES

Bell Potter makes or gives no warranties as to the accuracy or completeness of any disclosures by the Company. You must rely on your own enquiries and advice in respect to this investment. Participation in the Placement should be considered speculative. Bell Potter is not your fiduciary or a fiduciary of the Company for the purposes of the Placement. Bell Potter and/or its representatives may own shares and/or other securities in the Company. This position is subject to change without notice.

Any questions on the Company or these arrangements should be directed to Anton Whitehead of Bell Potter on +61 3 9235 1803.

Yours sincerely

Circadian Technologies Limited



Dominique Fisher
Director



Megan Baldwin
Director



Confirmation of Allocation ("Confirmation Advice")

Please sign and return this Confirmation of Allocation Form to the Company by
9:00AM (Melbourne time), Thursday 2 October 2014

To: Circadian Technologies Limited
Attention: Megan Baldwin
Email: megan.baldwin@opthea.com

Firm allocation of Shares by Circadian @ A\$0.175 per Placement Share

Applicant: MSI BVF SPV, L.L.C.

ISSUE PRICE	QUANTITY (Shares)	SUBSCRIPTION AMOUNT (\$A)	SETTLEMENT DATE
A\$0.175 per Placement Share	3,294,117	A\$576,470.48	24 November 2014
Free accompanying Options	1,647,058	Nil	N/A

The Applicant refers to the contract made with Circadian as detailed in the letter to the Applicant dated Wednesday 1 October 2014 (the "Letter").

I am/We are pleased to confirm my/our previous firm and irrevocable acceptance of Placement Shares (and accompanying Options) in the Placement, subject to the fulfilment of the Condition, on the terms and conditions as detailed in the Letter and confirm that I/We qualify under one of the sophisticated/professional investor exemptions under sections 9 and 708 of the Corporations Act 2001 as set out in the annexure to the letter or are otherwise permitted to receive Shares under the Placement as contemplated in the Letter.

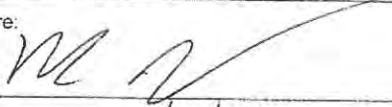
Terms defined in the Letter have the same meaning when used in this Confirmation Advice, unless stated otherwise. I am authorised to provide this notice on behalf of the organisation named below.

PLEASE COMPLETE REGISTRATION DETAILS BELOW

Company/Account Name: MSI BVF SPV, L.L.C.	
Account Designation:	
Settlement Contact Name: Spike Loy	
E-Mail: loy@bvflp.com	
Telephone: 415-525-8890	Fax:

DETAILS OF AUTHORISED SIGNATORY

AUTHORISED SIGNATORY

Name: Mark Lampert	Signature: 
Title: President, BVF Inc., itself GP, BVF Partners L.P., itself attorney-in fact of MSI BVF SPV, L.L.C.	Date: 10/1/14
Organisation:	

Circadian Technologies Limited
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