
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): October 13, 2015

UNILIFE CORPORATION
(Exact name of Registrant as Specified in Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-34540
(Commission
File Number)

27-1049354
(IRS Employer
Identification No.)

250 Cross Farm Lane, York, Pennsylvania
(Address of Principal Executive Offices)

17406
(Zip Code)

Registrant's telephone number, including area code: (717) 384-3400

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the Registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01. Entry into a Material Definitive Agreement.

On October 13, 2015, Unilife Medical Solutions, Inc. (the “Borrower”), a subsidiary of Unilife Corporation (the “Company”), entered into the third amendment (the “Third Amendment to the Credit Agreement”) to that certain credit agreement dated March 12, 2014 (the “Original Credit Agreement,” and, as amended by that certain First Amendment to the Credit Agreement, dated September 30, 2014, that certain Second Amendment to the Credit Agreement, dated June 30, 2015, and the Third Amendment to the Credit Agreement, the “Amended Credit Agreement”) with ROS Acquisition Offshore LP (together with its affiliates, successors, transferees and assignees, the “Lender”), an affiliate of OrbiMed Advisors, and the second amendment (the “Second Amendment to the Royalty Agreement”) to that certain royalty agreement dated March 12, 2014 (the “Original Royalty Agreement,” and, as amended by that certain First Amendment to the Royalty Agreement, dated September 30, 2014, and the Second Amendment to the Royalty Agreement, the “Amended Royalty Agreement”) with Royalty Opportunities S.À R.L. (“ROS”), an affiliate of OrbiMed Advisors. In connection with the Third Amendment to the Credit Agreement and the Second Amendment to the Royalty Agreement (together, the “Recent Amendments”), the Borrower also issued an amended and restated promissory note to the Lender (the “Amended and Restated Promissory Note”).

The following are summaries of the Recent Amendments and the Amended and Restated Promissory Note.

Third Amendment to Credit Agreement

Pursuant to and subject to the terms of the Third Amendment to the Credit Agreement, the Lender agreed to provide Borrower under the Amended Credit Agreement, up to an aggregate additional principal amount of \$10,000,000, less fees and expenses incurred in connection with the Recent Amendments, expected to be funded in tranches. Under the terms of the Amended Credit Agreement, the Borrower will be required to make funding requests and the Lender will not be obligated to fund such request unless the Borrower satisfies certain customary conditions precedent and the Lender agrees, in its discretion, to fund such request. The Borrower received the full amount of its initial requested tranche of approximately \$3.6 million on October 15, 2015, less certain fees and expenses incurred in connection with the Recent Amendments. The Third Amendment to the Credit Agreement also modifies the Borrower’s liquidity covenant whereby, under the Amended Credit Agreement, the Borrower is now required to maintain a cash balance of \$3.0 million rather than \$5.0 million. The Third Amendment to the Credit Agreement does not modify the interest rate on the principal amount of the loan.

Pursuant to the Third Amendment to the Credit Agreement, the Borrower has agreed to permit two representatives of Lender to attend and observe (but not vote) all meetings of the board of directors of the Company and the committees thereof (and at any such meetings of the Company’s subsidiaries).

Second Amendment to Royalty Agreement

Pursuant to and subject to the terms of the Second Amendment to the Royalty Agreement, Borrower has agreed to pay ROS 4.52% on the first \$50,000,000 of net sales in each fiscal year, plus 1.75% of net sales in excess of \$50,000,000 and up to and including \$100,000,000 in each fiscal year, plus 0.438% of net sales in excess of

\$100,000,000 in each fiscal year, up from 3.875%, 1.50% and 0.375%, respectively. Borrower continues to have the right to buyout the Amended Royalty Agreement at any time; however, under the Amended Royalty Agreement, the buyout amounts have increased. To buyout the Amended Royalty Agreement on or before March 12, 2016, the Borrower would pay approximately \$21.9 million under the Second Amendment to the Royalty Agreement rather than approximately \$13.1 million under the First Amendment to the Royalty Agreement. Thereafter, the buyout amount increases on March 13 of each year up to a maximum of approximately \$37.2 million under the Second Amendment to the Royalty Agreement, as compared to approximately \$26.3 million under the First Amendment to the Credit Agreement. The buyout amount varies based on when the buy-out option is exercised and the amounts included here assume that the full \$10.0 million under the Amended Credit Agreement contemplated by the Third Amendment to the Credit Agreement is funded and would, in each case, be reduced by amounts previously paid by Borrower to ROS pursuant to the Amended Royalty Agreement. In the event of default under the Amended Credit Agreement, Orbimed will have a put option that will make the royalty amounts due immediately.

Amended and Restated Promissory Note

The Amended and Restated Promissory Note reflects the Borrower's commitment to repay to the Lender all amounts owed under the Amended Credit Agreement including the additional amounts contemplated by the Third Amendment to the Credit Agreement.

The foregoing descriptions of the Recent Amendments and the Amended and Restated Promissory Note are only summaries of certain terms and agreements discussed herein. These summaries do not purport to be complete and are qualified in their entirety by reference to the full text of the Third Amendment to the Credit Agreement, the Second Amendment to the Royalty Agreement and the Amended and Restated Promissory Note, which are attached hereto as Exhibits 10.1, 10.2, and 10.3, respectively. In addition, a description of the Original Credit Agreement and the Original Royalty Agreement can be found in the Company's Current Report on Form 8-K filed on March 14, 2014 and the full text of the Original Credit Agreement, the Original Royalty Agreement, and the Original Promissory Note were filed as Exhibits 10.1, 10.2 and 10.6, respectively, to the Company's Form 10-Q filed on May 12, 2014, as amended by the Company's Form 10-Q/A filed on September 29, 2014. A description of the First Amendment to the Credit Agreement and the First Amendment to the Royalty Agreement can be found in the Company's Current Report on Form 8-K filed on October 3, 2014 and the full texts of the First Amendment to the Credit Agreement and the Second Amendment to the Royalty Agreement were filed as Exhibit 10.1 and Exhibit 10.2, respectively, to the Company's Form 10-Q filed on November 12, 2014. A description of the Second Amendment to the Credit Agreement can be found in the Company's Current Report on Form 8-K filed on July 1, 2015 and the full text of the Second Amendment to the Credit Agreement was filed as Exhibit 10.43 to the Company's Form 10-K filed on September 14, 2015.

Waiver Received from the Lender

The Company obtained a continued waiver from the Lender (the "Waiver") through October 13, 2015, of the covenant in the Credit Agreement to maintain a \$5.0 million cash balance.

Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The information set forth in Item 1.01 is incorporated by reference in response to this Item 2.03.

Item 2.05. Costs Associated with Exit or Disposal Activities.

As previously disclosed, on September 14, 2015, under a cost reduction and business alignment plan, the Company reduced its workforce by approximately 50 employees, or approximately 17% of its workforce at the time. On October 14, 2015, the Company implemented a second initiative to further reduce costs and employee headcount.

The second cost reduction initiative includes the following:

- A workforce reduction of approximately 20 employees, or approximately 8% of the Company's workforce;
- Significant salary reductions for several executives, effective commencing with the October 16th payroll through December 31, 2015, including those described under Item 5.02 of this Form 8-K, which item is incorporated by reference in response to this Item 2.05.

The Company expects to record a charge of approximately \$0.1 million from severance costs related to the second cost reduction initiative. In addition, the Company expects such initiative to reduce its selling, general and administrative expenses and its research and development expenses by approximately \$0.5 million and approximately \$0.2 million, respectively, during the quarter ending December 31, 2015, after incurrence of the expenses described in the preceding sentence. The Company does not believe that these cost reduction initiatives will negatively impact its ability to serve its customers. Please see “Forward-Looking Statements,” below.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On October 13, 2015, the Company’s Chief Executive Officer, Alan D. Shortall, entered into an amendment to his employment agreement with the Company (the “Shortall Amendment”). Pursuant to the Shortall Amendment, Mr. Shortall agreed to a 100% reduction of his base salary and the elimination of Mr. Shortall’s car allowance through December 31, 2015.

On October 13, 2015, the Company’s Chief Financial Officer, David Hastings, the Company’s President and Chief Operating Officer, Ramin Mojdeh, the Company’s General Counsel and Secretary, John Ryan, and the Company’s Chief Accounting Officer and Treasurer, Dennis Pyers, each entered into amendments to their respective employment agreements with the Company (the “Executive Amendments”). Pursuant to their respective Executive Amendments, Mr. Hastings, Dr. Modjeh, Mr. Ryan and Mr. Pyers agreed to a 50% reduction of their respective base salaries through December 31, 2015. Additionally, under their respective Executive Amendments, Mr. Hastings, Dr. Mojdeh and Mr. Ryan agreed to the elimination of Company-provided automobiles or automobile allowances through December 31, 2015, and Dr. Mojdeh agreed to the elimination of temporary relocation housing payments by the Company through December 31, 2015.

Item 8.01. Other Events.

Update on the Company’s Liquidity

As of October 13, 2015, the Company’s cash balance was approximately \$5.9 million, including restricted cash of \$2.1 million. Additional funding under the Amended Credit Agreement alone will not provide the Company with sufficient liquidity to fund the Company’s operations through December 31, 2015. Nor can we provide assurance that such additional funding combined with existing cash and cash equivalents, restricted cash, additional proceeds under our Equity Purchase Agreement with Lincoln Park Capital Fund, LLC and our Controlled Equity Offering Sales Agreement with Cantor Fitzgerald & Co., anticipated cash to be generated from existing customer agreements and the impact of expense reductions, including the initiatives described under Item 2.03 of this Form 8-K, along with any additional sources of financing, will provide us with sufficient ongoing liquidity. We do not have any guaranteed sources of financing; there can be no assurance that cash from the Amended Credit Agreement, customer agreements or proceeds from the Equity Purchase Agreement or the Controlled Equity Offering Sales Agreement will be available when needed, as such sources of liquidity are not entirely within our control. If we are unable to obtain additional financing or engage in a strategic transaction on acceptable terms and when needed, we may default under one or more of our debt obligations. A breach of any of the covenants related to our debt instruments could result in a higher rate of interest to be paid or the lenders could elect to declare all amounts outstanding under the applicable agreements to be immediately due and payable. If the lenders were to make such a demand for repayment, we would be unable to pay the obligations as we do not have existing facilities or sufficient cash on hand to satisfy these obligations. These factors, and the factors described above, continue to raise substantial doubt about our ability to continue as a going concern.

In addition, pursuant to the Amended Credit Agreement we have a covenant that requires us to generate \$54.1 million in customer cash receipts from January 1, 2015 to December 31, 2015. From January 1, 2015 to September 30, 2015, we generated \$16.7 million in customer cash receipts. In order to satisfy this covenant, we will be

required to generate \$37.4 million in customer cash receipts in the fourth quarter of calendar year 2015. We currently believe that it is uncertain that we will be able to satisfy this covenant as of December 31, 2015. If we determine that it is unlikely that we will satisfy this covenant, we intend to seek a waiver from the Lender. As described in more detail below, we are exploring strategic alternatives and hope to complete a strategic transaction by December 31, 2015

Update on Exploration of Strategic Alternatives

On September 2, 2015, Unilife announced that in response to third-party initiated expressions of interest, the Company's Board of Directors had engaged Morgan Stanley & Co. LLC to conduct a review of strategic alternatives to maximize shareholder value. This process is continuing and we have received interest from several parties. There can be no assurance that this exploration process will result in any initiatives, agreements or transactions that will enhance shareholder value. Please see "Forward-Looking Statements," below.

Press Release

On October 16, 2015, we issued a press release regarding the entrance into the Recent Amendments and the cost reduction initiative. A copy of the press release is attached hereto as Exhibit 99.1.

Item 9.01. Financial Statements and Exhibits.

Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
10.1	Third Amendment to Credit Agreement, dated October 13, 2015 by and among Unilife Medical Solutions, Inc. and ROS Acquisition Offshore LP.
10.2	Second Amendment to Royalty Agreement, dated October 13, 2015 by and among Unilife Medical Solutions, Inc. and Royal Opportunities S.À R.L.
10.3	Amended and Restated Promissory Note, dated as of October 13, 2015, for up to \$70,000,000 by Unilife Medical Solutions, Inc. in favor of ROS Acquisition Offshore LP.
99.1	Press Release, dated October 16, 2015.

Forward-Looking Statements

This report contains forward-looking statements. All statements that address operating results, performance, events or developments that we expect or anticipate will occur in the future are forward-looking statements, including, but not limited to, expectations regarding reductions to the Company's selling, general and administrative expenses and its research and development expenses, estimates of employee headcount reductions, expenditures that may be incurred by the Company in connection with the reduction in force, expectations regarding cash receipts from customers or potential strategic transactions. These forward-looking statements are based on management's beliefs and assumptions and on information currently available to our management. Our management believes that these forward-looking statements are reasonable as and when made. However, you should not place undue reliance on any such forward-looking statements because such statements speak only as of the date when made. We do not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. In addition, forward-looking statements are subject to certain risks and uncertainties that could cause actual results, events and developments to differ materially from our historical experience and our present expectations or projections. These risks and uncertainties include, but are not limited to, those described in "Item 1A. Risk Factors" and elsewhere in our Annual Report on Form 10-K, those described from time to time in other reports which we file with the Securities and Exchange Commission, and the following additional risks: that the Lender may, as permitted under the Amended Credit Agreement, exercise its discretion not to make additional loans to the Company; that we may not be successful in raising additional capital, that we may not receive sufficient cash from customer agreements, that we may not be able to enter into or complete any strategic transaction; that we may not be able to implement the reduction in force in various jurisdictions as planned; possible changes in the size and components of the expected costs and charges associated with the reduction in force; risks associated with the Company's ability to achieve the benefits of the reduction in force; and completion of quarter-end financial reporting processes and review.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Company has duly caused this Report to be signed on its behalf by the undersigned hereunto duly authorized.

Unilife Corporation

Date: October 16, 2015

By: /s/ Alan Shortall
Alan Shortall
Chairman and Chief Executive Officer

THIRD AMENDMENT TO CREDIT AGREEMENT

This THIRD AMENDMENT TO CREDIT AGREEMENT (this "Amendment") is made and entered into as of October 13, 2015 by and among UNILIFE MEDICAL SOLUTIONS, INC., a Delaware corporation (the "Borrower"), the other Creditor Obligors party hereto and ROS ACQUISITION OFFSHORE LP, a Cayman Islands exempted limited partnership (in its capacity as Lender and Collateral Agent, the "Lender").

WHEREAS, the Borrower and the Lender are party to that certain Credit Agreement, dated as of March 12, 2014 (as amended on September 30, 2014 and June 30, 2015, and as further amended from time to time, the "Credit Agreement"), pursuant to which the Lender has extended credit to the Borrower on the terms set forth therein;

WHEREAS, the Lender has agreed to consider requests for additional draws under the Credit Agreement in an aggregate amount not to exceed \$10,000,000 in its sole discretion on the terms and conditions set forth herein and in the Credit Agreement;

WHEREAS, the Borrower has requested that the Lender amend the Credit Agreement, as more fully described herein; and

WHEREAS, the Lender is willing to agree to such amendment, but only upon the terms and subject to the conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Definitions; Loan Document. Capitalized terms used herein without definition shall have the meanings assigned to such terms in the Credit Agreement. This Amendment and the amended and restated Note delivered in connection herewith shall constitute Loan Documents for all purposes of the Credit Agreement and the other Loan Documents. Each reference to "hereof", "hereunder", "herein" and "hereby" and each other similar reference and each reference to "this Agreement" and each other similar reference contained in the Credit Agreement shall, after this Amendment becomes effective, refer to the Credit Agreement as amended hereby.

2. Amendments.

(a) Section 1.1 of the Credit Agreement is hereby amended by adding the following definitions in alphabetical order:

"Additional Delayed Draw Closing Dates" means the date of the making of each Additional Delayed Draw Loan hereunder.

"Additional Delayed Draw Commitment Amount" means \$10,000,000.

"Additional Delayed Draw Loan" is defined in Section 2.5.

(b) The following definitions in Section 1.1 of the Credit Agreement are hereby amended and restated in their entirety as follows:

“Commitment Amount” means the Initial Commitment Amount, plus the Delayed Draw Commitment Amount, plus the Additional Delayed Draw Commitment Amount.

“Loans” means the Initial Loan, each Delayed Draw Loan and each Additional Delayed Draw Loan.

(c) Article II is hereby amended by adding the following as a new Section 2.5:

SECTION 2.5 Additional Delayed Draw Loans.

(a) On the terms and subject to the conditions of this Agreement, the Lender may, in its sole discretion, make term loans (each, an “Additional Delayed Draw Loan”) to the Borrower on each Additional Delayed Draw Closing Date in an amount determined by Lender (but in no event shall the aggregate amount of all such Additional Delayed Draw Loans exceed the Additional Delayed Draw Commitment Amount).

(b) The Borrower shall irrevocably request that the Additional Delayed Draw Loan be made by delivering to the Lender a Loan Request on or before 4:00 p.m. Eastern Time on a Tuesday and at least two Business Days prior to each Additional Delayed Draw Closing Date.

(c) The Lender may, in its sole discretion, on each Additional Delayed Draw Closing Date and subject to the terms and conditions hereof, make the Additional Delayed Draw Loan in the amount determined by Lender, but not greater than the amount requested in the applicable Loan Request, available to the Borrower by wire transfer to the account the Borrower shall have specified in its Loan Request.

(d) Section 3.2(d) is hereby amended and restated in its entirety as follows:

(d) Amounts repaid or prepaid in respect of the outstanding principal amount of the Loans shall be applied pro rata to the Initial Loan, each Delayed Draw Loan and each Additional Delayed Draw Loan.

(e) Article V is hereby amended by adding the following as a new Section 5.30:

SECTION 5.30 Conditions to Additional Delayed Draw Loans. The making of each Additional Delayed Draw Loan by the Lender shall be in the sole discretion of the Lender and subject to the satisfaction (or waiver in writing by the Lender) of each of the following conditions precedent and such other conditions as Lender may require in its sole discretion:

(a) The Lender shall have received a Closing Certificate, dated as of the Additional Delayed Draw Closing Date, as the case may be, and duly executed and delivered by an Authorized Officer of the Borrower, in which certificate the Borrower shall agree and acknowledge that the statements made therein shall be deemed to be true and correct representations and warranties of the Borrower as of such date, and, at the time such certificate is delivered, such statements shall in fact be true and correct, and such statements shall include that except as disclosed in the disclosure letter dated the date hereof and delivered to the Lender on the date hereof (i) the representations and warranties set forth in each Loan Document (other than Section 6.14 of the Credit Agreement) shall, in each case, be true and correct in all respects (in the case of any representation or warranty qualified by materiality or Material Adverse Effect) or in all material respects (in the case of any representation or warranty not qualified by materiality or Material Adverse Effect), before and after giving effect to the making of the Additional Delayed Draw Loan and to the application of the proceeds thereof, as though made on and as of the date hereof, (ii) no Default shall have then occurred and be continuing, or would result from the Loan to be advanced on the Additional Delayed Draw Closing Date, as the case may be, and (c) all of the conditions set forth in Section 5.30 have been satisfied. All documents and agreements required to be appended to the Closing Certificate, if any, shall be in form and substance reasonably satisfactory to the Lender, shall have been executed and delivered by the requisite parties, and shall be in full force and effect.

(b) The Borrower shall have delivered a Loan Request to the Lender as required pursuant to Section 2.5, and immediately prior to each Additional Delayed Draw Closing Date, the Borrower shall have delivered to the Lender updates to Schedules 6.15 (a), 6.16 and 6.22, each such updated Schedule to be complete and accurate in all material respects as of such Additional Delayed Draw Closing Date.

(c) All documents executed or submitted pursuant hereto by or on behalf of Holdings, the Borrower or any Subsidiary shall be satisfactory in form and substance to the Lender and its counsel, and the Lender and its counsel shall have received all information, approvals, resolutions, opinions, documents or instruments as the Lender or its counsel may reasonably request.

(f) The introductory paragraph of Article VI is hereby amended by replacing the phrase “Closing Date and on each Delayed Draw Closing Date” with “Closing Date, on each Delayed Draw Closing Date and on each Additional Delayed Draw Closing Date”.

(g) Each of Section 6.15(a), Section 6.16 and Section 6.22 is hereby amended by replacing the phrase “Closing Date or Delayed Draw Closing Date” in each such section with “Closing Date, Delayed Draw Closing Date or Additional Delayed Draw Closing Date”.

(h) Section 7.1 is hereby amended by (i) deleting “and” at the end of Section 7.1(m), (ii) replacing the period at the end of Section 7.1(n) with “; and”, and (iii) adding the following as a new Section 7.1(o):

(o) by 4:00 p.m. Eastern Time on each Monday, commencing October 12, 2015, a weekly budget for the following three months after the Additional Delayed Draw Closing Date, including in comparative form the figures and performance from the prior weeks’ budgets (other than for the first such week’s budget), in form and substance satisfactory to Lender; provided that the first weekly budget shall go through December 31, 2015.

(i) Article VII is hereby amended by adding the following as new Section 7.15:

SECTION 7.15 Board Observation Rights.

(a) The Borrower shall permit two (2) persons representing the Lender (the “Observers”) to attend and observe (but not vote) at all meetings of Holdings’ (or the Borrower’s or the Subsidiaries’, as applicable) board of directors and any committee thereof, whether in person, by telephone or otherwise. The Borrower shall, except with respect to emergency meetings of such boards of directors or any committee thereof, notify the Observers in writing at least three (3) Business Days in advance of (i) the date and time for each general or special meeting of such boards of directors or any committee thereof and (ii) the adoption of any resolutions or actions by written consent (describing, in reasonable detail, the nature and substance of such action). The general meetings shall take place on no less than a quarterly basis. The Borrower shall concurrently deliver to the Observers all notices and any materials delivered to the boards of directors or any committees thereof in connection with a board meeting or action to be taken by written consent, including a draft of any material resolutions or actions proposed to be adopted by written consent. Any such materials delivered to the Observers shall also be delivered by the Borrower to the Lender. The Observers shall be free prior to such meeting or adoption by consent to contact the board of directors and discuss the pending actions to be taken. The Observers shall be notified of emergency meetings of such boards of directors and any committee thereof within substantially the same amount of time as the directors of such boards or members of any such committee.

(b) The Borrower shall pay the Observers’ reasonable out-of-pocket expenses (including the cost of travel, meals and lodging) in connection with the attendance of such meetings.

(c) If an issue is to be discussed or otherwise arises at any meeting of the board of directors of the Borrower or committee thereof which, in the reasonable good faith judgment of the board of directors, is not appropriate to be discussed in the presence of an Observer in order to avoid a conflict of interest on the part of such Observer or to preserve an attorney-client privilege, then such

issue may be discussed without such Observer being present and any materials delivered to the board of directors pertaining to such issue need not be delivered to such Observer, so long as such Observer is given notice of the occurrence of such judgment by the board of directors, that such Observer is being excused, and that certain materials will not be delivered to such Observer, and such Observer is provided a general description, which shall be true and correct in all material respects, of such withheld materials and matters discussed without such Observer present.

(j) Section 8.4(b) is hereby amended and restated in its entirety as follows:

(b) Minimum Liquidity. The Liquidity of the Borrower shall not at any time be less than \$3,000,000. The Borrower shall maintain an amount equal to the amount required under this Section 8.4(b), along with its other cash and Cash Equivalent Investments, in a Controlled Account.

3. Conditions to Effectiveness of Amendment. This Amendment shall become effective upon receipt by:

(a) the Lender of a counterpart signature to this Amendment duly executed and delivered by the Borrower and each of the other Credit Obligors,

(b) the Lender of the amended and restated Note duly executed and delivered by an Authorized Officer of the Borrower,

(c) the Credit Obligors of a counterpart signature to this Amendment duly executed and delivered by the Lender,

(d) the Lender of a Secretary's Certificate with respect to each U.S. Obligor, in substantially the form delivered on the Closing Date, duly executed and delivered by the signatories thereto and a verification certificate for each of Unilife Medical Solutions Pty Limited and Unitract Syringe Pty Ltd in substantially the form delivered on the Closing Date, in each case attaching resolutions of each such Person's Board of Directors (or other managing body, in the case of other than a corporation) then in full force and effect authorizing the execution, delivery and performance of this Amendment and the amended and restated Note delivered in connection herewith to be executed by such Person and the transactions contemplated hereby and thereby,

(e) the Lender from each U.S. Obligor, a copy of a good standing certificate, dated a date reasonably close to the date hereof from its jurisdiction of formation, for each such Person,

(f) the Lender of an opinion of counsel to the Borrower and the other Credit Obligors in form and substance reasonably satisfactory to the Lender, and

(g) the Lender or its counsel of reimbursement for all fees and out-of-pocket expenses incurred by the Lender in connection with this Amendment and all other like expenses remaining unpaid as of the date hereof.

4. Expenses. The Borrower agrees to pay on demand all expenses of the Lender (including, without limitation, the fees and out-of-pocket expenses of Covington & Burling LLP, counsel to the Lender, and of local counsel, if any, who may be retained by or on behalf of the Lender) incurred in connection with the negotiation, preparation, execution and delivery of this Amendment and all other expenses of the Lender remaining unpaid as of the date hereof.

5. Representations and Warranties. The Credit Obligors represent and warrant to the Lender as follows:

(a) After giving effect to this Amendment, the representations and warranties of the Borrower and the Guarantors contained in the Credit Agreement or any other Loan Document (other than Section 6.14 of the Credit Agreement) shall except as disclosed in the disclosure letter dated the date hereof and delivered to the Lender on the date hereof, (i) with respect to representations and warranties that contain a materiality qualification, be true and correct in all respects on and as of the date hereof, and (ii) with respect to representations and warranties that do not contain a materiality qualification, be true and correct in all material respects on and as of the date hereof, and except that the representations and warranties limited by their terms to a specific date shall be true and correct as of such date.

(b) After giving effect to this Amendment, no Default or Event of Default has occurred or is continuing.

(c) (i) Each Credit Obligor has taken all necessary action to authorize the execution, delivery and performance of this Amendment and (with respect to the Borrower) the amended and restated Note; (ii) this Amendment and (with respect to the Borrower) the amended and restated Note has been duly executed and delivered by the Credit Obligors and constitutes each of the Credit Obligors' legal, valid and binding obligations, enforceable in accordance with its terms (except, in any case, as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization or similar laws affecting creditors' rights generally and by principles of equity), and (iii) no authorization or other action by, and no notice to or filing with, any Governmental Authority or other Person is required for the due execution, delivery or performance by any Credit Obligor of this Amendment or (with respect to the Borrower) the amended and restated Note.

(d) At the date of this Amendment, none of the Collateral (as defined in the General Security Deed) is located, or taken for the purposes of any stamp duty law to be located, in New South Wales.

6. No Implied Amendment or Waiver. Except as expressly set forth in this Amendment, this Amendment shall not, by implication or otherwise, limit, impair, constitute a waiver of or otherwise affect any rights or remedies of the Lender under the Credit Agreement or the other Loan Documents, or alter, modify, amend or in any way affect any of the terms, obligations or covenants contained in the Credit Agreement or the other Loan Documents, all of which shall continue in full force and effect. Nothing in this Amendment shall be construed to imply any willingness on the part of the Lender to agree to or grant any similar or future amendment, consent or waiver of any of the terms and conditions of the Credit Agreement or the other Loan Documents.

7. Reaffirmation of Security Interests. The Credit Obligors (i) affirm that each of the security interests and liens granted in or pursuant to the Loan Documents are valid and subsisting and (ii) agree that this Amendment and the amended and restated Note shall in no manner impair or otherwise adversely affect any of the security interests and liens granted in or pursuant to the Loan Documents.

8. Reaffirmation of Guarantee. Each Guarantor (a) acknowledges and consents to all of the terms and conditions of this Amendment and the amended and restated Note, (b) affirms all of its obligations under the Loan Documents and (c) agrees that this Amendment, the amended and restated Note and all documents executed in connection herewith do not operate to reduce or discharge the Guarantor's obligations under the Loan Documents.

9. Press Release. No Credit Obligor shall, and each Credit Obligor shall instruct its Affiliates not to, issue a press release or other public announcement or otherwise make any public disclosure with respect to this Amendment or the subject matter hereof without the prior consent of the Lender (which consent shall not be unnecessarily withheld or delayed), except as may be required by applicable Law (in which case the Credit Obligor required to make the release or statement shall allow the Lender reasonable time to comment on such release or statement in advance of such issuance).

10. Waiver and Release. TO INDUCE THE LENDER TO AGREE TO THE TERMS OF THIS AMENDMENT, EACH CREDIT OBLIGOR REPRESENTS AND WARRANTS THAT AS OF THE DATE HEREOF THERE ARE NO CLAIMS OR OFFSETS AGAINST OR RIGHTS OF RECOUPMENT WITH RESPECT TO OR DEFENSES OR COUNTERCLAIMS TO ITS OBLIGATIONS UNDER THE LOAN DOCUMENTS AND IN ACCORDANCE THEREWITH IT:

(a) WAIVES ANY AND ALL SUCH CLAIMS, OFFSETS, RIGHTS OF RECOUPMENT, DEFENSES OR COUNTERCLAIMS, WHETHER KNOWN OR UNKNOWN, ARISING PRIOR TO THE DATE HEREOF; AND

(b) RELEASES AND DISCHARGES THE LENDER, ITS AFFILIATES AND ITS AND THEIR OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, SHAREHOLDERS AND ATTORNEYS (COLLECTIVELY THE "RELEASED PARTIES") FROM ANY AND ALL OBLIGATIONS, INDEBTEDNESS, LIABILITIES, CLAIMS, RIGHTS, CAUSES OF ACTION OR DEMANDS WHATSOEVER, WHETHER KNOWN OR UNKNOWN, SUSPECTED OR UNSUSPECTED, IN LAW OR EQUITY, WHICH THE BORROWER EVER HAD, NOW HAS, CLAIMS TO HAVE OR MAY HAVE AGAINST ANY RELEASED PARTY ARISING PRIOR TO THE DATE HEREOF AND FROM OR IN CONNECTION WITH THE LOAN DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED THEREBY.

11. Counterparts; Governing Law. This Amendment may be executed in any number of counterparts and by different parties hereto on separate counterparts, each of such

when so executed and delivered shall be an original, but all of such counterparts shall together constitute but one and the same agreement. Delivery of an executed counterpart of a signature page of this Amendment by fax transmission or other electronic mail transmission (e.g., “pdf” or “tif”) shall be effective as delivery of a manually executed counterpart of this Amendment. THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW YORK (INCLUDING FOR SUCH PURPOSE SECTIONS 5-1401 AND 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK).

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their respective officers thereunto duly authorized as of the day and year first above written.

EXECUTED as a deed by each Australian Subsidiary.

UNILIFE MEDICAL SOLUTIONS, INC.

By: /s/ John C. Ryan
Name: John C. Ryan
Title: Senior Vice President, General Counsel and Secretary

UNILIFE CORPORATION

By: /s/ John C. Ryan
Name: John C. Ryan
Title: Senior Vice President, General Counsel and Secretary

UNILIFE CROSS FARM LLC

By: /s/ John C. Ryan
Name: John C. Ryan
Title: Senior Vice President, General Counsel and Secretary

Signature Page to Third Amendment to Credit Agreement

Executed by Unilife Medical Solutions Pty Limited in
accordance with Section 127 of the *Corporations Act 2001*

/s/ Alan Shortall ←
Signature of director

Alan Shortall
Name of director (print)

/s/ Ramin Mojdeh ←
Signature of director

Ramin Mojdeh
Name of director (print)

Executed by Unitract Syringe Pty Ltd in accordance with
Section 127 of the *Corporations Act 2001*

/s/ Alan Shortall ←
Signature of director

Alan Shortall
Name of director (print)

/s/ Ramin Mojdeh ←
Signature of director

Ramin Mojdeh
Name of director (print)

Signature Page to Third Amendment to Credit Agreement

ROS ACQUISITION OFFSHORE LP,
as the Lender
By OrbiMed Advisors LLC, its investment manager

By: /s/ Samuel Isaly
Name: Samuel Isaly
Title: Managing Member

Signature Page to Third Amendment to Credit Agreement

Disclosure Letter

Pursuant to the Amendments to the Credit Agreement and Royalty Agreement dated as of October 13, 2015 (the “Amendments”), by and between Unilife Medical Solutions, Inc., a Delaware corporation (the “Company”) and ROS Acquisition Offshore LP (the “Lender”), the Company hereby provides to the Lender these disclosures (“Disclosures”) to modify the representations and warranties made and referenced in the Amendments.

Inclusion of any item in these Disclosures (i) except to the extent expressly stated in these Disclosures, does not represent a determination by the Company that such item is “material,” nor shall it be deemed to establish a standard of materiality; (ii) does not represent a determination by the Company that such item did not arise in the ordinary course of business; and (iii) shall not constitute or be deemed to be an admission to any third party concerning any item set forth herein.

Except as otherwise limited herein, all information and disclosures made herein are made as of the date hereof. Terms not otherwise defined herein will have the definitions set forth in the Loan Documents.

- With respect to Section 6.6 of the Credit Agreement, please see the Company’s most recent 10-K filed with the Securities and Exchange Commission on September 14, 2015 and the 8-Ks filed since that date.
- With respect to Section 6.19 of the Credit Agreement, please see the Company’s 8-K filed on October 7, 2015 describing a loan from the Company’s CEO.
- With respect to Section 6.7 of the Credit Agreement, please see the litigation and contingency disclosures in the Company’s most recent 10-K filed with the Securities and Exchange Commission on September 14, 2015.
- The Company is late on the October lease payment for its King of Prussia, Pennsylvania facility and is therefore in default under the lease. The Company expects to use proceeds received in connection with the Amendments to make the payment along with accrued interest.
- Mechanics liens have been filed on the Company’s York, Pennsylvania premises by a Company contractor at that facility, and subcontractors to that contractor have provided notice of intent to file mechanics liens as well. The Company expects to pursue fundraising opportunities in order to make payments to both the contractor and subcontractors. Unless and until the Company receives additional funding, further mechanics liens may be filed.
- Unilife received notice from an equipment provider dated October 9, 2015 that the Company is past due on a purchase order and that the nonpayment constitutes a default under the purchase order. The Company expects to use proceeds received in connection with the Amendments to make payment on the purchase order.
- A supplier filed a complaint against the Company on October 5, 2015 for non-payment of invoices for products provided to Company. The Company has since paid the amount owed.
- The Company is late and in default under a purchase order with one of its suppliers. The Company maintains communications with the supplier and has verbally agreed with the supplier on a payment schedule.
- Litigation filed on April 8, 2013 by Bidel, Inc.
- Administrative claim before the Pennsylvania Human Relations Commission filed on September 29, 2015 by a former employee/machine operator.

- The Company may not have provided copies of Material Agreements within the timeframe set forth in the Credit Agreement. Copies of Material Agreements have been noted and delivered separately to the Lender.
- The Company obtained a continued waiver from the Lender of the covenant to maintain a \$5.0 million cash balance until October 13, 2015.

SECOND AMENDMENT TO ROYALTY AGREEMENT

This SECOND AMENDMENT TO ROYALTY AGREEMENT (this "Amendment") is made and entered into as of October 13, 2015 by and among UNILIFE MEDICAL SOLUTIONS, INC., a Delaware corporation (the "Unilife") and ROYALTY OPPORTUNITIES S.À R.L., a Luxembourg société à responsabilité limitée (together with its Affiliates, successors, transferees and assignees, "ROS").

WHEREAS, the Unilife and ROS are party to that certain Royalty Agreement, dated as of March 12, 2014 (as amended from time to time, the "Royalty Agreement"), pursuant to which Unilife granted to ROS a royalty on the terms set forth therein;

WHEREAS, Unilife and ROS Acquisition Offshore LP, a Cayman Islands exempted limited partnership (the "Lender") are party to that certain Credit Agreement, dated as of March 12, 2014 (as amended from time to time, the "Credit Agreement"), pursuant to which the Lender has extended credit to Unilife on the terms set forth therein; and

WHEREAS, Unilife and ROS have agreed to amend the Royalty Agreement, upon the terms and subject to the conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Definitions; Loan Document. Capitalized terms used herein without definition shall have the meanings assigned to such terms in the Royalty Agreement and, to the extent not defined therein, in the Credit Agreement. This Amendment shall constitute a Loan Document for all purposes of the Credit Agreement and the other Loan Documents. Each reference to "hereof", "hereunder", "herein" and "hereby" and each other similar reference and each reference to "this Agreement" and each other similar reference contained in the Royalty Agreement shall, after this Amendment becomes effective, refer to the Royalty Agreement as amended hereby.

2. Amendments.

(a) The chart in the definition of “Purchase Price” in Section 1.1 of the Royalty Agreement is hereby amended and restated in its entirety as follows:

<u>Applicable Period</u>	<u>Applicable Amount</u>
On or before the 1st anniversary of the Closing Date	\$9,750,000
After the 1st anniversary of the Closing Date and on or before the 2nd anniversary of the Closing Date	\$18,125,000 plus the product of (a) the amount of Additional Delayed Draw Loans funded under the Credit Agreement (whether or not repaid), multiplied by (b) 0.3740
After the 2nd anniversary of the Closing Date and on or before the 3rd anniversary of the Closing Date	\$23,125,000 plus the product of (a) the amount of Additional Delayed Draw Loans funded under the Credit Agreement (whether or not repaid), multiplied by (b) 0.4575
After the 3rd anniversary of the Closing Date and on or before the 4th anniversary of the Closing Date	\$28,125,000 plus the product of (a) the amount of Additional Delayed Draw Loans funded under the Credit Agreement (whether or not repaid), multiplied by (b) 0.5410
Any time after the 4th anniversary of the Closing Date	\$31,250,000 plus the product of (a) the amount of Additional Delayed Draw Loans funded under the Credit Agreement (whether or not repaid), multiplied by (b) 0.5935

(b) Section 2.1(a) of the Royalty Agreement is hereby amended and restated in its entirety as follows:

(a) Unilife shall pay to ROS, in respect of each Fiscal Year (or portion of a Fiscal Year, in the case of the first Fiscal Year and last Fiscal Year of the Royalty Term) during the Royalty Term, a royalty amount equal to the sum of (i) the percentage equal to 3.875% plus the product of (1) 0.646% multiplied by (2) the amount of Additional Delayed Draw Loans funded under the Credit Agreement (whether or not repaid) divided by 10,000,000, of the aggregate Net Sales during such Fiscal Year (or portion of a Fiscal Year, as the case may be) up to \$50,000,000 of such Net Sales, plus (ii) the percentage equal to 1.500% plus the product of (1) 0.250% multiplied by (2) the amount of Additional Delayed Draw Loans funded under the Credit Agreement (whether or not repaid) divided by 10,000,000, of the aggregate Net Sales during such Fiscal Year (or portion of a Fiscal Year, as the case may be) in excess of \$50,000,000 and up to and including \$100,000,000, plus (iii) the percentage equal to 0.375% plus the product of (1) 0.063% multiplied by (2) the amount of Additional Delayed Draw Loans funded under

the Credit Agreement (whether or not repaid) divided by 10,000,000, of the aggregate Net Sales during such Fiscal Year (or portion of a Fiscal Year, as the case may be) in excess of \$100,000,000.

(c) Section 5.2 of the Royalty Agreement is hereby amended by adding the following language at the end thereof:

If any Event of Default (as defined under the Credit Agreement) under clauses (i) through (iv) of Section 9.1(i) or Section 9.1(j) of the Credit Agreement shall have occurred, the Put Option shall be deemed to have been automatically exercised by ROS and the Purchase Price shall be immediately due and payable to ROS. ROS shall have no obligation to deliver a Put Notice or provide any other notice or demand to any Person with respect to such exercise of the Put Option. Unless prevented by applicable law following such Event of Default, ROS shall deliver a notice to Unilife setting forth a calculation of the Purchase Price in reasonable detail; provided that Unilife shall be obligated to pay the Purchase Price whether or not ROS delivers such notice.

3. Conditions to Effectiveness of Amendment. This Amendment shall become effective upon receipt (i) by ROS of a counterpart signature to this Amendment duly executed and delivered by Unilife, and (ii) by ROS or its counsel of reimbursement for all fees and out-of-pocket expenses incurred by ROS in connection with this Amendment and all other like expenses remaining unpaid as of the date hereof.

4. Expenses. Unilife agrees to pay on demand all expenses of ROS (including, without limitation, the fees and out-of-pocket expenses of Covington & Burling LLP, counsel to ROS, and of local counsel, if any, who may be retained by or on behalf of ROS) incurred in connection with the negotiation, preparation, execution and delivery of this Amendment and all other expenses of ROS remaining unpaid as of the date hereof.

5. Representations and Warranties. Unilife represents and warrants to ROS as follows:

(a) After giving effect to this Amendment, the representations and warranties of Unilife contained in the Royalty Agreement (other than Section 6.14 of the Credit Agreement) shall, except as disclosed in the disclosure letter dated the date hereof and delivered to the Lender on the date hereof (i) with respect to representations and warranties that contain a materiality qualification, be true and correct in all respects on and as of the date hereof, and (ii) with respect to representations and warranties that do not contain a materiality qualification, be true and correct in all material respects on and as of the date hereof, and except that the representations and warranties limited by their terms to a specific date shall be true and correct as of such date.

(b) After giving effect to this Amendment, no Royalty Event of Default has occurred or is continuing.

(c) (i) Unilife has taken all necessary action to authorize the execution, delivery and performance of this Amendment; (ii) this Amendment has been duly executed and delivered by Unilife and constitutes Unilife's legal, valid and binding obligation, enforceable in

accordance with its terms (except, in any case, as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization or similar laws affecting creditors' rights generally and by principles of equity), and (iii) no authorization or other action by, and no notice to or filing with, any Governmental Authority or other Person is required for the due execution, delivery or performance by Unilife of this Amendment.

6. No Implied Amendment or Waiver. Except as expressly set forth in this Amendment, this Amendment shall not, by implication or otherwise, limit, impair, constitute a waiver of or otherwise affect any rights or remedies of ROS under the Royalty Agreement or the other Loan Documents, or alter, modify, amend or in any way affect any of the terms, obligations or covenants contained in the Royalty Agreement or the other Loan Documents, all of which shall continue in full force and effect. Nothing in this Amendment shall be construed to imply any willingness on the part of ROS to agree to or grant any similar or future amendment, consent or waiver of any of the terms and conditions of the Royalty Agreement or the other Loan Documents.

7. Reaffirmation of Security Interests. The Credit Obligors (i) affirm that each of the security interests and liens granted in or pursuant to the Loan Documents are valid and subsisting and (ii) agree that this Amendment shall in no manner impair or otherwise adversely affect any of the security interests and liens granted in or pursuant to the Loan Documents.

8. Reaffirmation of Guarantee. Each Guarantor (a) acknowledges and consents to all of the terms and conditions of this Amendment, (b) affirms all of its obligations under the Loan Documents and (c) agrees that this Amendment and all documents executed in connection herewith do not operate to reduce or discharge the Guarantor's obligations under the Loan Documents.

9. Waiver and Release. TO INDUCE ROS TO AGREE TO THE TERMS OF THIS AMENDMENT, UNILIFE REPRESENTS AND WARRANTS THAT AS OF THE DATE HEREOF THERE ARE NO CLAIMS OR OFFSETS AGAINST OR RIGHTS OF RECOUPMENT WITH RESPECT TO OR DEFENSES OR COUNTERCLAIMS TO ITS OBLIGATIONS UNDER THE LOAN DOCUMENTS AND IN ACCORDANCE THEREWITH IT:

(a) WAIVES ANY AND ALL SUCH CLAIMS, OFFSETS, RIGHTS OF RECOUPMENT, DEFENSES OR COUNTERCLAIMS, WHETHER KNOWN OR UNKNOWN, ARISING PRIOR TO THE DATE HEREOF; AND

(b) RELEASES AND DISCHARGES ROS, ITS AFFILIATES AND ITS AND THEIR OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, SHAREHOLDERS AND ATTORNEYS (COLLECTIVELY THE "RELEASED PARTIES") FROM ANY AND ALL OBLIGATIONS, INDEBTEDNESS, LIABILITIES, CLAIMS, RIGHTS, CAUSES OF ACTION OR DEMANDS WHATSOEVER, WHETHER KNOWN OR UNKNOWN, SUSPECTED OR UNSUSPECTED, IN LAW OR EQUITY, WHICH UNILIFE EVER HAD, NOW HAS, CLAIMS TO HAVE OR MAY HAVE AGAINST ANY RELEASED PARTY ARISING PRIOR TO THE DATE HEREOF AND FROM OR IN CONNECTION WITH THE LOAN DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED THEREBY.

10. Counterparts; Governing Law. This Amendment may be executed in any number of counterparts and by different parties hereto on separate counterparts, each of such when so executed and delivered shall be an original, but all of such counterparts shall together constitute but one and the same agreement. Delivery of an executed counterpart of a signature page of this Amendment by fax transmission or other electronic mail transmission (e.g., “pdf” or “tif”) shall be effective as delivery of a manually executed counterpart of this Amendment. THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW YORK (INCLUDING FOR SUCH PURPOSE SECTIONS 5-1401 AND 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK).

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their respective officers thereunto duly authorized as of the day and year first above written.

UNILIFE MEDICAL SOLUTIONS, INC.

By: /s/ John C. Ryan

Name: John C. Ryan

Title: Senior Vice President, General Counsel
and Secretary

ROYALTY OPPORTUNITIES S.À R.L

By OrbiMed Advisors LLC, its investment manager

By: /s/ Samuel Isaly

Name: Samuel Isaly

Title: Managing Member

Signature Page to Second Amendment to Royalty Agreement

Acknowledged and agreed:

EXECUTED as a deed by each Australian Subsidiary

UNILIFE CROSS FARM LLC

By: /s/ John C. Ryan
Name: John C. Ryan
Title: Senior Vice President, General Counsel and Secretary

Executed by Unilife Medical Solutions Pty Limited in accordance with Section 127 of the *Corporations Act 2001*

/s/ Alan Shortall ←
Signature of director

Alan Shortall
Name of director (print)

Executed by Unित्रact Syringe Pty Ltd in accordance with Section 127 of the *Corporations Act 2001*

/s/ Alan Shortall ←
Signature of director

Alan Shortall
Name of director (print)

UNILIFE CORPORATION

By: /s/ John C. Ryan
Name: John C. Ryan
Title: Senior Vice President, General Counsel and Secretary

/s/ Ramin Mojdeh ←
Signature of director

Ramin Mojdeh
Name of director (print)

/s/ Ramin Mojdeh ←
Signature of director

Ramin Mojdeh
Name of director (print)

AMENDED AND RESTATED PROMISSORY NOTE

Up to \$70,000,000

October 13, 2015

FOR VALUE RECEIVED, UNILIFE MEDICAL SOLUTIONS, INC., a Delaware corporation (the “Borrower”), hereby promises to pay to the order of ROS ACQUISITION OFFSHORE LP, a Cayman Islands exempted limited partnership (together with its Affiliates, successors, transferees and assigns, the “Lender”), on the Maturity Date the principal sum of SIXTY MILLION DOLLARS (\$60,000,000) or, if Additional Delayed Draw Loans in the aggregate principal amount of \$10,000,000 are made to the Borrower, SEVENTY MILLION DOLLARS (\$70,000,000) or, in each case if less, the aggregate unpaid principal amount of the Loans (and any continuation thereof) made (or continued) by the Lender pursuant to the Credit Agreement, dated as of March 12, 2014 (as amended, supplemented or otherwise modified from time to time, the “Credit Agreement”), by and between the Borrower and the Lender. Unless otherwise defined herein or the context otherwise requires, terms used in this Note have the meanings provided in the Credit Agreement.

The Borrower also promises to pay interest on the unpaid principal amount hereof from time to time outstanding from the date hereof until maturity (whether by acceleration or otherwise) and, after maturity upon demand, until paid in full, at the rates per annum and on the dates specified in the Credit Agreement, as well as any other amounts that may be due to the Lender upon maturity (whether by acceleration or otherwise) under or in respect of this Note.

Payments of both principal and interest are to be made in U.S. Dollars in same day or immediately available funds to the account designated by the Lender.

This Note is referred to in, and evidences Indebtedness incurred under, the Credit Agreement, to which reference is made for a description of the security and guarantee for this Note and for a statement of the terms and conditions on which the Borrower is permitted and required to make prepayments and repayments of the unpaid principal amount of the Indebtedness evidenced by this Note and on which such Indebtedness may be declared to be immediately due and payable. Any prepaid principal of this Note may not be reborrowed.

All parties hereto, whether as makers, endorsers or otherwise, severally waive presentment for payment, demand, protest and notice of dishonor.

This Note amends and restates that certain Promissory Note, dated as of March 12, 2014 (the “Prior Note”), issued by the Borrower to the Lender, provided that this Note is not a substitution or novation of the obligations under the Prior Note.

THIS NOTE HAS BEEN DELIVERED IN NEW YORK, NEW YORK AND SHALL BE DEEMED TO BE A CONTRACT MADE UNDER AND GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW YORK (INCLUDING FOR SUCH PURPOSE SECTIONS 5-1401 AND 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK).

[Signature Page Follows]

UNILIFE MEDICAL SOLUTIONS, INC.

By: /s/ John C. Ryan

Name: John C. Ryan

Title: Senior Vice President, General Counsel,
and Secretary

[*Signature Page to Promissory Note*]

**Unilife Announces Additional Financing of up to \$10 Million from OrbiMed and Implements an Additional Cost Reduction Initiative**

YORK, Pa., October 16, 2015/PRNewswire/ — Unilife Corporation (“Unilife” or “Company”) (NASDAQ: UNIS, ASX: UNS) today announced the signing of an agreement with an affiliate of OrbiMed for the provision of up to an additional \$10 million in debt financing. The material terms are described in a Form 8-K filed by the Company with the SEC today.

In addition, Unilife this week implemented an additional cost reduction initiative, including a significant decrease in executive compensation, to further reduce the Company’s operating expenses in order to maximize shareholder value in connection with the continuing review of strategic alternatives, for which Morgan Stanley & Co. LLC is engaged as its financial advisor, and to improve the Company’s liquidity position.

In September, Unilife initiated a cost reduction and business alignment plan that included a reduction in its workforce of approximately 17%. This week, the Company implemented additional measures, including a further reduction to its workforce of approximately 20 employees, or 8% of its workforce.

Additionally, the Company will decrease its compensation to certain executive officers and some other senior management through the end of this calendar year. Alan Shortall, Unilife Chairman and Chief Executive Officer, has agreed to a 100% reduction of his base salary and the elimination of perquisites, through December 31, 2015. David Hastings, Chief Financial Officer, Dr. Ramin Mojdeh, President and Chief Operating Officer, John Ryan, General Counsel and Secretary, and Dennis Pyers, Chief Accounting Officer and Treasurer, have agreed to a 50% reduction in their base salaries and the elimination of perquisites, through December 31, 2015. Various other senior employees of Unilife have also agreed to a reduction in their base salaries through December 31, 2015.

Together, the most recent additional cost reduction measures and the decreases to executive compensation described above and more fully in the Form 8-K referenced above are expected to reduce the Company’s expenses, net of severance costs, by \$0.7 million through December 31, 2015.

About Unilife Corporation

Unilife Corporation (NASDAQ:UNIS / ASX: UNS) is a U.S. based developer and commercial supplier of injectable drug delivery systems. Unilife’s portfolio of innovative, differentiated products includes prefilled syringes with automatic needle retraction, drug reconstitution delivery systems, auto-injectors, wearable injectors, insulin delivery systems, ocular delivery systems and novel systems. Products within each platform are customizable to address specific customer, drug and patient requirements. Unilife’s global headquarters and manufacturing facilities are located in York, PA. For more information, visit www.unilife.com or download the Unilife IRapp on your iPhone, iPad or Android device.

General: UNIS-G

Forward-Looking Statements

This press release contains forward-looking statements. All statements that address operating results, performance, events or developments that we expect or anticipate will occur in the future are forward-looking statements, including, but not limited to, expectations regarding reductions to the Company's selling, general and administrative expenses and its research and development expenses, estimates of employee headcount reductions, expenditures that may be incurred by the Company in connection with the reduction in force, expectations regarding cash receipts from customers or potential strategic transactions. These forward-looking statements are based on management's beliefs and assumptions and on information currently available to our management. Our management believes that these forward-looking statements are reasonable as and when made. However, you should not place undue reliance on any such forward-looking statements because such statements speak only as of the date when made. We do not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. In addition, forward-looking statements are subject to certain risks and uncertainties that could cause actual results, events and developments to differ materially from our historical experience and our present expectations or projections. These risks and uncertainties include, but are not limited to, those described in "Item 1A. Risk Factors" and elsewhere in our Annual Report on Form 10-K, those described from time to time in other reports which we file with the Securities and Exchange Commission, and the following additional risks: that OrbiMed may, as permitted under the amended credit agreement, exercise its discretion not to make additional loans to the Company; that we may not be successful in raising additional capital; that we may not be able to enter into or complete any strategic transaction; that we may not be able to implement the reduction in force in various jurisdictions as planned; possible changes in the size and components of the expected costs and charges associated with the reduction in force; risks associated with the Company's ability to achieve the benefits of the reduction in force.

Investor / PR Contacts (US):

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Unilife Corporation
P: + 61 2 8346 6500