INVESTOR UPDATE

EDITION #5: July 2015

OncoSil MEDICAL Ltd

Message from the CEO

OncoSil
Medical CEO
Daniel Kenny

Welcome to the first edition of the OncoSil Medical Investor Update newsletter for 2015, and my first as the Company's new CEO.

This newsletter provides the opportunity to reflect on what has been an extremely exciting and positive period for the Company in 2015 to date.

The OncoSil Medical team continues to focus on our core goal to make widely available and commercialise our OncoSil device to provide a new treatment for patients with pancreatic cancer.

Those who follow the Company may also be aware that we have now committed to also pursue the commercialisation of OncoSil™ in primary liver cancer.

The potential to commercialise OncoSil™ in primary liver cancer in parallel to our prime focus on pancreatic cancer offers the Company the opportunity to provide a new treatment option for patients suffering another of the world's most insidious and difficult to treat cancers.

It also provides the potential to deliver very significant additional revenues for the Company.

Details of our plans in the primary liver cancer area and the key facts about primary liver cancer are provided in this Investor Update.

As we approach the second half of the year, our prime focus is on securing commercialisation in pancreatic cancer, as well as primary liver cancer. The final hurdle for us to achieve this goal is to have Conformité Européenne (CE) Mark granted for OncoSil™ device – CE Mark is the designation required by regulators to sell OncoSil™ in the European Union.

Also, our submission to US FDA for Investigational Device Exemption (IDE) for OncoSil™ remains on schedule to be granted later in the calendar year.

As we are approaching commercialisation the OncoSil Medical team is expanding with more talented and seasoned management including the recent appointment of Dr Ash Soman as Chief Medical Officer and Mr David James Head of Manufacturing Operations. I look forward to providing details of our progress over the coming weeks and months.

This is indeed an exciting time for your company and I would like to take the opportunity to thank all shareholders for their ongoing support.

I trust you enjoy this Investor Update.

Daniel Kenny
CEO & Managing Director

Key Investment Highlights

ASX: OSL
Market Capitalisation: approximately A$40M

- ISO Certification granted in April, 2015
- CE Mark approval expected by end Q3, 2015
- CE Mark will facilitate licensure in multiple other markets such as Australia, NZ and Canada
- Commercialisation in 2015 is possible following CE Mark authorisation
- Patent protection to 2024 with potential for extension
- Currently no other intra tumoral device approved for pancreatic cancer, and none in development
- Device technology platform capable of use in two solid tumour types

IN THIS ISSUE

EU Commercialisation On-track

The Company is now moving into an exciting and pivotal time in its commercialisation timeline for Oncosil™ - and it is pleased to report that commercialisation in the European Union (EU) remains on schedule.

It is making plans to submit its CE Mark application for pancreatic cancer and also in liver cancer indications, which it aims to do in the coming weeks.

CE Mark is of vital importance and relevance because it is the regulatory designation provided by the EU which would allow the Oncosil™ device to be marketed and sold throughout Europe.

The CE Mark would also facilitate sales in other significant markets, such as Australia, Canada, New Zealand and Singapore.

With CE Mark granted, OncoSil Medical will be able to pursue commercialisation in these markets. From there, it will be in a position to make plans for the marketing of, and sales of, the Oncosil™ device.

Upon achieving CE Mark and then commercialisation, the Company aims to derive significant, growing revenues from sales of the Oncosil™ device, and to provide a much needed alternative treatment option for pancreatic cancer, as well as liver cancer.

The Company looks forward to providing further information on its CE Mark process and commercialisation plans in due course.

A separate study for US approval will be run shortly with a US FDA IDE approval expected later this year.

"It is the Company's aim to achieve CE Mark in the second half of the 2015 calendar year, and it remains on schedule to achieve this".

Major milestone in CE Mark Pathway

The Company recently achieved a very significant milestone in the commercialisation process for OncoSil™, with the granting of ISO certification for the OncoSil™ localised radiation treatment device for cancer.

The certification is issued by the British Standards Institution (BSI) and is a key requirement for CE Marking of Medical Devices in the EU.

It demonstrates that OncoSil Medical has implemented a Quality Management System for the OncoSil™ localised radiation treatment for cancer that conforms to world-wide medical device standards.

Specifically, the Company has been granted ISO 13485:2012 and ISO 13485:2003 certification for the development and control of manufacture of radioactive implantable medical device in the area of oncology.

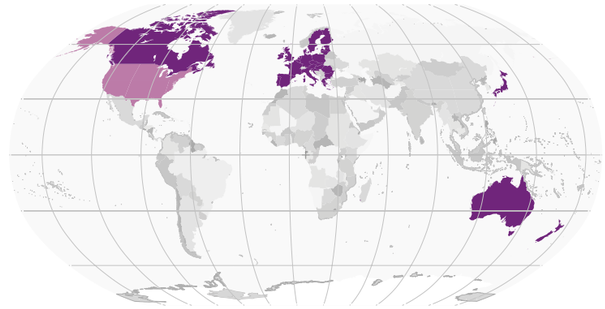
About ISO 13485
ISO 13485 is recognised globally as the best quality practice within the medical device industry.

Certification is a key requirement for CE marking high-risk medical devices in the European Union, and is accepted by most other major markets including the United States of America, Canada, Japan and Australia.

Certification demonstrates management's commitment to quality management, and to the provision of safe and effective products that continually meet regulatory and customer expectations.

CE Mark and the OncoSil™ Market Opportunity

The global market opportunity for OncoSil Medical to provide a new, alternative treatment option for sufferers of pancreatic cancer and liver cancer is huge. Upon achieving CE Mark OncoSil™ in both solid tumour indications, the Company will be able to pursue commercialisation in a number of global markets.



Global market for Pancreatic Cancer is estimated at US$1b

Global market for primary liver cancer is estimated at US$1.4b

- CE Mark will facilitate commercialisation
- Separate study for US approval to be conducted with US FDA IDE approval expected later this year

New members of the OncoSil team

The Company is pleased to welcome two new members two its team.

David James,
Head of Manufacturing Operations

David joins the Company after spending six years with leading cancer treatment company Sirtex Medical (ASX: SRX) as Global Operations Manager.

In his role with OncoSII Medical he will play a key role in the manufacturing-related aspects for the upcoming CE Mark submission and ultimately in the commencement of production of OncoSil™ for clinical trial use and commercial sale.

David is a highly experienced pharmaceutical manufacturing operation executive with many years of career experience.

During his time at Sirtex he was responsible for managing the global operations team including production, logistics, customer service and engineering. His most notable achievement being the design, construction and commissioning of Sirtex's first in-house manufacturing plant in Wilmington DC, in the US.

Dr Ashish (Ash) Soman,
Chief Medical Officer

Dr Ashish (Ash) Soman was recently appointed the Company's Chief Medical Officer. He is a highly experienced medical professional and pharmaceutical industry executive with more than 24 years' experience.

His appointment is a key, strategic addition to OncoSil Medical's executive leadership team. He will play a key role in the upcoming regulatory approvals process (including European CE Mark and US FDA IDE) and commercialisation of OncoSil™.

His previous roles include Country Medical Director, Australia for major bio-pharmaceutical company AstraZeneca, where he managed a team of 30 employees, and Medical Director - Cardiovascular & Diabetes for AstraZeneca Australia.

Dr Soman has also previously held roles with Sanofi-aventis Australia-New Zealand and Roche Products Ltd in the UK. He commenced his career as a practising hospital clinician in 1991 with the UK National Health Service.

OncoSil™ – A powerful new radiation treatment for treatment of pancreatic and primary liver cancer

picture: wikipedia.com

Nuclear reactor for making medical devices.

After ten days: The phosphorus is radioactive - OncoSil™ ready for delivery.

Minimal penetration depth of beta radiation emissions through tissue and air.

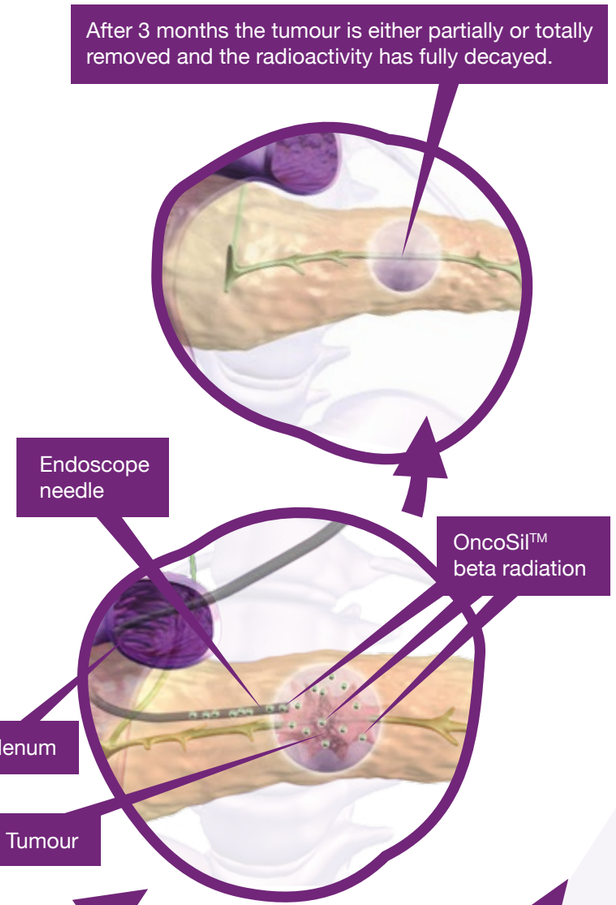
picture: kathjung - fotolia.com

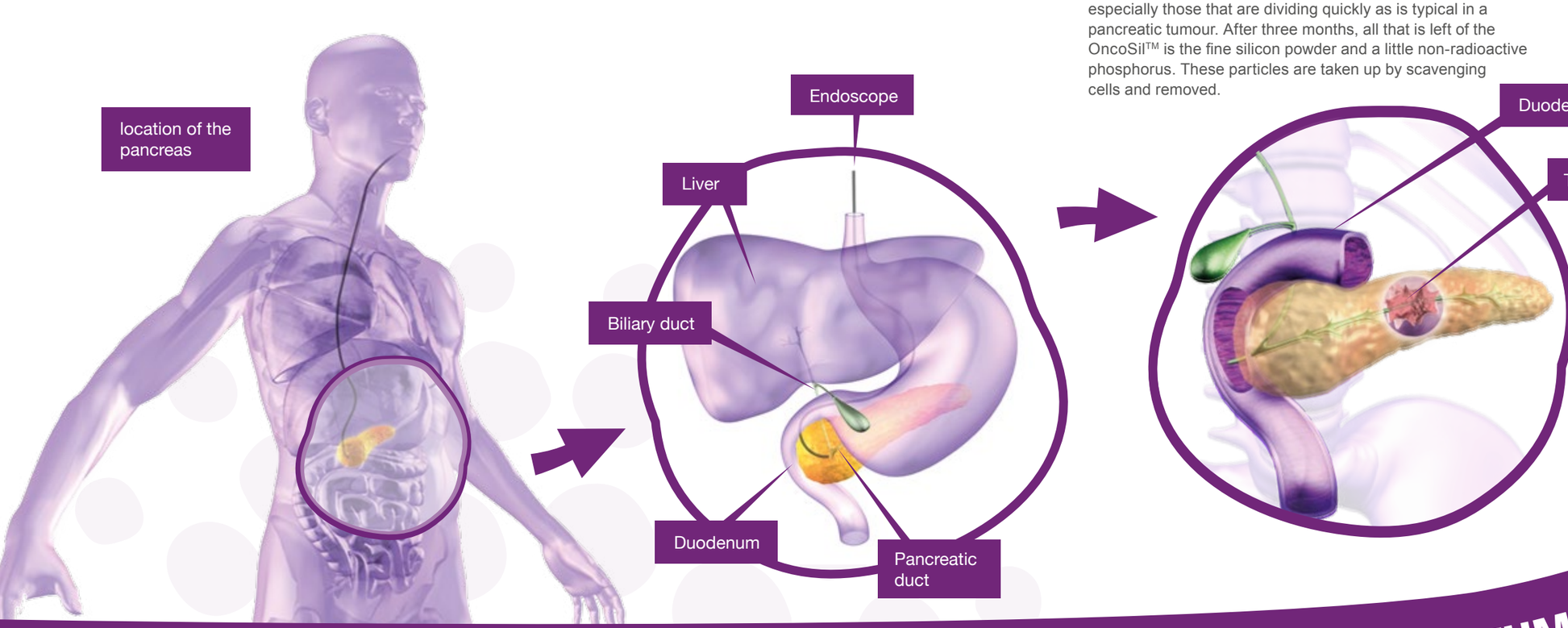
Delivery from reactor to the hospital pharmacy of the patient's hospital.

OncoSil™ is a nuclear medicine device. What does this mean? In short, OncoSil™ works by producing a sphere of radiation around the device, reaching out about 1cm in all directions. The device consists of very fine particles of a mixture of silicon and phosphorus. Each particle is about 1/3 of the thickness of a human hair. When the particles are placed in a nuclear reactor for ten days, the phosphorus becomes radioactive. That radioactivity is emitted as beta particles, which only travel about a centimetre through tissues. Once the radioactive phosphorus (P32) is created, the radiation is emitted for up to three months (14.3 day half-life).

When a patient is diagnosed with pancreatic cancer or primary liver cancer (note: the centrefold graphic represents the process for pancreatic cancer), the oncologist would order some OncoSil™ from our supplier in Germany. The OncoSil™ is shipped in a lead container direct to the hospital pharmacy, where the OncoSil™ is suspended in a shielded syringe to the operating theatre where a gastroenterologist will make the injection of the device into the pancreatic tumour. The patient is given an anaesthetic, and the gastroenterologist guides an endoscope down the oesophagus, through the stomach and into the the first part of the small intestine, which is next to the pancreas. The gastroenterologist uses ultrasound to image the tumour in the pancreas, then extends a needle from the end of the scope into the pancreas and into the middle of the tumour. He then injects the OncoSil™ suspended in fluid directly into the tumour. This takes around half an hour. The patient wakes up and can go home the same day.

The OncoSil™ microparticles are very sticky, and they remain where they are put in the tumour. As can be seen from the graphic, the radiation extends into the tumour, but does not go outside of the pancreas. The radiation constantly bathes the tumour cells for up to three months, killing the tumour cells, especially those that are dividing quickly as is typical in a pancreatic tumour. After three months, all that is left of the OncoSil™ is the fine silicon powder and a little non-radioactive phosphorus. These particles are taken up by scavenging cells and removed.





RADIATION THERAPY TO THE TUMOUR

Company to pursue commercialisation in primary liver cancer

As part of its drive towards commercialisation, the Company recently reported that it plans to also pursue commercialisation of OncoSil™ in primary liver cancer in addition to its ongoing focus on pancreatic cancer.

It will result in the Company delivering a broader commercialisation program, targeting two of the most insidious and difficult to treat cancers.

OncoSil Medical will file for CE Mark in both pancreatic cancer and liver cancer.

Primary Liver cancer was added to the CE Mark filing after regulatory advice. It serves to considerably strengthen the filing position, and carries no additional regulatory risk. It comes after clinical studies confirmed OncoSil™'s ability to demonstrate tumour shrinkage in both solid tumour indications, pancreatic cancer and liver cancer.

Background to Liver Cancer program

OncoSil Medical has previously conducted two Pilot Clinical Studies on the use of the OncoSil™ device in primary liver cancer.

Evaluations of safety data from these studies indicated that OncoSil™ was well tolerated in patients with unresectable primary liver cancer, and the efficacy data indicated that OncoSil™ had induced significant reductions in tumour volume in the targeted tumours in the liver.

These data and the clinical experience in pancreatic cancer demonstrated that the OncoSil technology platform is capable of use in two solid tumour types.

Head of primary liver cancer Scientific Advisory Board Appointed

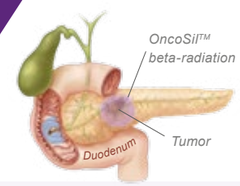
Professor Pierce Chow

OncoSil Medical recently appointed Professor Pierce Chow as Chairman of the Company's primary liver cancer Scientific Advisory Board. Professor Chow is acknowledged as a global leader in oncology, with particular emphasis on primary liver cancer, and the development of medical devices, and his appointment represents a major endorsement of OncoSil's plans to actively pursue the primary liver cancer indication.

He is Professor at the Duke-NUS Graduate Medical School and Senior Consultant Surgeon at the National Cancer Centre in Singapore and the Singapore General Hospital. He is also concurrently NMRC Senior Clinician Scientist. During his career, Professor Chow has successfully lead multi-disciplinary teams in translational research projects and multinational investigator-initiated clinical trials.

"Every now and again you come across a new and exciting approach in medicine that really stands out. OncoSil™ is exactly that in primary liver cancer and I look forward to utilising my skills and expertise in this area to help realise this potential."
Professor Pierce Chow.

OncoSil™; medical device not a drug – easier pathway to approval



OncoSil™ is an implantable device that emits radiation directly into a pancreatic tumour, and surrounding pain conducting nerves, and delivers radiation therapy locally for up to three months.

It is classified by regulators as a class III medical device, not a drug as some people may think.

In terms of the clinical development pathway to eventual commercialisation this offers a number of potential advantages.

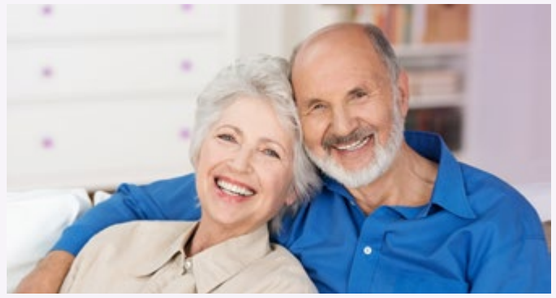
The development of new drugs in human studies is typically undertaken under a clinical trial (or study) regime, that includes phase I, phase II and phase III studies – with sometimes the requirement to supplement the clinical development program with additional phase IIa or IIb trials.

By comparison, in medical device development, the trial process is typically undertaken as pilot studies followed by pivotal/registration studies.

As a result medical devices can typically require less clinical trial work prior to gaining commercial approval, and as such may have a faster time to approval when compared to new drug development.

Importantly, this may also translate into a clinical development program for a medical device requiring less funding to see it through to commercialisation, than a new drug candidate.

The OncoSil™ device is inserted directly into the centre of a tumour using well established technology in a short 15-30 minute procedure. Radiation therapy, such as that supplied by OncoSil™, is known to kill tumour cells.



About primary liver cancer

Primary liver cancer is the 6th most common cancer in the world with 782,000 new cases diagnosed in 2012.

Its very poor prognosis makes primary liver cancer the third leading cause of cancer-related mortality in the world and it is responsible for approximately 600,000 deaths annually.

Primary liver cancer may be cured by surgery or transplantation. However, for the vast majority of patients with primary liver cancer, the disease is too advanced for surgical intervention. And, less than 20% of primary liver cancer patients are suitable for surgery at time of diagnosis.

As a consequence survival ranges from just a few months to two or more years depending on the liver function at diagnosis and the extent of tumour invasion.

Even in patients who have surgery, long term survival remains low because of recurrent carcinoma and progressive liver disease.

Localised radiation therapy, such as that supplied by OncoSil™, may offer a potential treatment option without systemic side effects.

The value of the primary liver cancer market is expected to triple in size to $1.4b by 2019, which provides a massive new potential market for Oncosil.

Some facts on pancreatic cancer

Pancreatic cancer is typically diagnosed at a later stage, when there is a poor prognosis for long-term survival. Pancreatic cancer is a terrible disease and a particularly aggressive form of cancer, as the following statistics highlight:

- Over 338,000 patients world wide will be diagnosed with pancreatic cancer this year.
- Around 265,000 patients will die of the disease in that period.
- Patients tend to live five months on average after diagnosis, despite best medical care.
- Less than 20 % of patients will survive one year, and only 5 % survive five years.
- One in six patients will respond to chemotherapy, and only 20 % are eligible for surgery.

External radiation therapy is also used, but the systemic side effects can be very damaging to the patient. There are new therapies in various stages of development, but most are a long way from entering into clinic trials, let alone being commercialised.

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Forward looking statement

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OncoSil Medical – Fast Panel

Listings
Australian Securities Exchange (ASX)

Stock Code
ASX: OSL

Issued Capital – Ordinary shares
356.16 million

Market Capitalisation based on share price of 12 cents
A$ 32.7 million

Cash Position
A$7.23 million (@ 31/03/2015)

Board

Dr Roger Aston	Chairman
Mr Daniel Kenny	CEO & Managing Director
Mr Martin Rogers	Non-executive Director

Senior Management

Ms Natalie Ruffles	Vice President Clinical Operations
Ms Aoifa Brogan	Vice President Regulatory Affairs
Mr Nicholas Falzon	Joint Company Secretary & Financial Controller
Mr Peter Casey	Joint Company Secretary
Dr Ash Soman	Chief Medical Officer