

**APOLLO CONSOLIDATED LIMITED**  
**ACN 102 084 917**  
**(SUBJECT TO DEED OF COMPANY ARRANGEMENT)**

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**SUPPLEMENTARY PROSPECTUS**

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**IMPORTANT INFORMATION**

This Supplementary Prospectus is dated 30 September 2009 and is supplementary to the prospectus dated 4 September 2009 issued by Apollo Consolidated Limited (Subject to Deed of Company Arrangement) (ACN 102 084 917) (**Company**) (**Prospectus**).

This Supplementary Prospectus was lodged with the Australian Securities and Investments Commission (**ASIC**) on 30 September 2009. The ASIC does not take any responsibility for the contents of this Supplementary Prospectus.

This Supplementary Prospectus must be read together with the Prospectus. If there is a conflict between the Prospectus and this Supplementary Prospectus, this Supplementary Prospectus will prevail. Terms and abbreviations defined in the Prospectus have the same meaning in this Supplementary Prospectus.

This Supplementary Prospectus will be issued with the Prospectus as an electronic prospectus and may be accessed on the Internet at [www.asx.com.au](http://www.asx.com.au).

This document is important and should be read in its entirety. Please consult your legal, financial or other professional adviser if you do not fully understand the contents.

**APOLLO CONSOLIDATED LIMITED**  
**(Subject to Deed of Company Arrangement)**  
**(ACN 102 084 917)**

**SUPPLEMENTARY PROSPECTUS**

**1. INCREASE IN OVERSUBSCRIPTIONS**

Since the lodgement of the Prospectus on 4 September 2009, the Board has resolved to increase the amount of oversubscriptions the Company may accept under the General Offer from 100 million Shares to 120 million Shares, to raise up to a further \$600,000.

This information could be considered material to an investor.

In order to ensure that this information is properly incorporated into the Prospectus, it must be lodged with the ASIC and released to ASX.

This is simply a compliance exercise for the purposes of the Corporations Act.

**2. CLOSING DATE**

The Closing Date for the General Offer will be 5:00pm (AEST) on **Wednesday 30 September 2009** (or such later date as determined by the Board).

**3. DIRECTORS' CONSENT**

This Supplementary Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with Section 720 of the Corporations Act, each Director has consented in writing to the lodgement of this Supplementary Prospectus with the ASIC.



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**ROGER STEINEPREIS**  
**APOLLO CONSOLIDATED LIMITED (SUBJECT TO DEED OF COMPANY**  
**ARRANGEMENT)**

Note: All other details in relation to the terms of the Offers and other matters under the Prospectus remain unchanged.

**APOLLO CONSOLIDATED LIMITED**  
**ACN 102 084 917**  
**(SUBJECT TO DEED OF COMPANY ARRANGEMENT)**

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**PROSPECTUS**

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For the offer of 50 million Shares at a price of 0.25 cents per Share and 50 million free attaching Options exercisable on or before 31 December 2012.

and

For the offer of 300 million Shares at a price of 0.5 cents per Share.

Oversubscriptions of up to a further 100 million Shares to raise up to a further \$500,000 may be accepted.

**Lead Manager**

Patersons Securities Limited  
(ACN 008 896 311)  
AFSL No.: 239 052

**IMPORTANT NOTICE**

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the Securities being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The Securities offered by this Prospectus should be considered as speculative.

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## TABLE OF CONTENTS

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1.	CORPORATE DIRECTORY .....	2
2.	DETAILS OF THE OFFERS .....	4
3.	PURPOSE AND EFFECT OF THE OFFERS .....	8
4.	CONSOLIDATED STATEMENTS OF FINANCIAL POSITION .....	9
5.	COMPANY OVERVIEW .....	11
6.	DIRECTORS AND CORPORATE GOVERNANCE .....	15
7.	RIGHTS ATTACHING TO SECURITIES .....	18
8.	RISK FACTORS.....	22
9.	ADDITIONAL INFORMATION .....	25
10.	DIRECTORS' CONSENT.....	30
11.	DEFINITIONS.....	31
	PROMOTER OFFER APPLICATION FORM .....	33
	GENERAL OFFER APPLICATION FORM .....	35

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## **IMPORTANT NOTICE**

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This Prospectus is dated 4 September 2009 and a copy of this Prospectus was lodged with the ASIC on that date. The ASIC takes no responsibility for the content of this Prospectus.

The Expiry Date of the Prospectus is 13 months after the date it was lodged with the ASIC. No securities will be allotted or issued on the basis of this Prospectus after the Expiry Date.

Applications for Securities offered pursuant to this Prospectus can only be submitted on an original Application Form which accompanies this Prospectus.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this document comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions constitutes a violation of those laws. This Prospectus does not constitute an offer of Securities in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

A copy of this Prospectus can be downloaded from the website of the Company at [www.apollolifesciences.com](http://www.apollolifesciences.com). Any person accessing the electronic version of this Prospectus for the purpose of making an investment in the Company must be an Australian resident and must only access this Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Application Form for securities unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. Any person may obtain a hard copy of this Prospectus free of charge by contacting the Company.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement Prospectus.

### **Exposure Period**

This Prospectus will be circulated during the Exposure Period. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. Potential investors should be aware that this examination may result in the identification of deficiencies in the Prospectus and in those circumstances any application that has been received may need to be dealt with in accordance with Section 724 of the Corporations Act.

Applications for securities under this Prospectus will not be processed by the Company until after the expiry of the Exposure Period. No preference will be conferred on persons who lodge applications prior to the expiry of the Exposure Period.

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## 1. CORPORATE DIRECTORY

### Directors

Mr Roger Steinepreis  
Mr George Ventouras  
Mr Nick Castleden

### Share Registry

Computershare Investor Services Pty Limited\*  
Level 5, 115 Grenfell Street  
ADELAIDE SA 5000

Telephone: 1300 787 272  
Facsimile: +61 8 8236 2305

### Company Secretary

Mr Alex Neuling

### Solicitors to the Company

Steinepreis Paganin  
Level 4, The Read Buildings  
16 Milligan Street  
PERTH WA 6000

### Principal Office

Level 4, The Read Buildings  
16 Milligan Street  
PERTH WA 6000

Telephone: +61 8 9321 4000  
Facsimile: +61 8 9321 4333

### Auditor

Deloitte Touche Tohmatsu\*  
Woodside Plaza  
Level 14  
240 St Georges Terrace  
PERTH WA 6000

\*These parties have not had any involvement in the preparation of this Prospectus and are included for information purposes only.

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## LETTER FROM THE BOARD

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Dear Investor

On 24 October 2008, Joint Administrators were appointed to assume control of the Company and 5 of its subsidiaries.

The Joint Administrators sought expressions of interest from third parties in either acquiring the assets of the Company or reconstructing and recapitalising the Company.

As part of this process, the creditors approved the Joint Administrators entering into a Deed of Company Arrangement on 3 December 2008, pursuant to which the now Deed Administrators were authorised, among other things, to investigate the restructure of the Company's capital with a view to re-listing the Company on ASX for the benefit of creditors and Shareholders.

The Company subsequently agreed with a proposal presented by Blueknight Corporation Pty Ltd (**Blueknight**) for the restructure and recapitalisation of the Company (**Proposal**). If completed, Blueknight's proposal will result in sufficient cash being injected into the Company. The Proposal was approved by Shareholders on 4 August 2009 and the purpose of this Prospectus is to raise the capital to complete the Proposal.


The Proposal includes:

- (a) the retention of the Company's Over the Counter (**OTC**) skin care business, including all stock and associated materials (**Retained Assets**);
- (b) the entry by the Company into a Creditors' Trust Deed for the purposes of satisfying approved creditor claims, with the sum of \$350,000 paid to the creditors trust (out of this capital raising) and all other assets (other than the Retained Assets) being assigned to that trust;
- (c) the consolidation of the Company's existing capital on a 1 for 20 basis, leaving the Company with 9,538,462 Shares on issue (prior to any other Securities being issued). The consolidation has now been effected;
- (d) the Company undertaking a capital raising to raise a total of \$1,625,000. This is the purpose of this Prospectus; and
- (e) the previous Directors John Priest, Tony Basten and Paul Murnane resigning and new Directors nominated by Blueknight being appointed to the Board. This has now occurred.

On completion of the capital raising set out in this Prospectus, the Company will apply for its shares to be re-instated to trading on ASX. ASX has advised that re-instatement is likely to be approved, subject to the satisfaction of certain conditions, including the lodgement of all outstanding statutory reports. This will be attended to following the completion of this raising.

Please read the Prospectus carefully before applying for any Securities.

Yours faithfully



**ROGER STEINEPREIS**  
**DIRECTOR**

**For and on behalf of**  
**the Board of Directors**

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## **2. DETAILS OF THE OFFERS**

### **2.1 Summary of Offers**

The Company is making two separate offers pursuant to this Prospectus:

- (a) the Promoter Offer; and
- (b) the General Offer,

(collectively the **Offers**).

The Shares offered under this Prospectus will rank equally with the existing Shares on issue. The purpose of the Offers and the use of the funds raised pursuant to the Offers are set out in Section 3 of this Prospectus.

The rights attached to the Securities offered pursuant to this Prospectus are summarised in Section 7 of this Prospectus.

#### ***The Promoter Offer***

Pursuant to the Promoter Offer, the Company offers parties nominated by Blueknight the opportunity to subscribe for 50 million Shares at an issue price of \$0.0025 per Share to raise \$125,000, together with 50 million free attaching Options exercisable at \$0.005 per Option on or before 31 December 2012.

The full terms and conditions of the Options are set out in Section 7.2 of this Prospectus.

If you are nominated to subscribe for Securities by Blueknight or a nominee of Blueknight, please complete a Promoter Offer Application Form.

#### ***The General Offer***

Pursuant to the General Offer, the Company offers investors the opportunity to subscribe for 300 million Shares at an issue price of \$0.005 per Share (in each case, in \$500 minimum parcels) to raise \$1,500,000.

Oversubscriptions of up to a further 100 million Shares (in each case, in \$500 minimum parcels) to raise up to a further \$500,000 may be accepted.

If you wish to subscribe for Shares pursuant to the General Offer, please complete a General Offer Application Form.

### **2.2 Closing Date of the Offers**

The Closing Date of the Offers will be 5:00pm (AEST) on **Friday, 25 September 2009**. The Board reserves the right to close the Offers early or extend the Closing Date (as the case may be), should it consider it necessary to do so.

### **2.3 Application for Securities**

#### ***Promoter Offer***

Applications for Securities under the Promoter Offer must be made using the Promoter Offer Application Form.

Payment for the Securities must be made in full at the issue price of \$0.0025 per Share and in minimum parcels of \$500. Completed Promoter Offer Application



Forms and accompanying cheques must be mailed or delivered to Computershare Investor Services Pty Limited:

*Mailed*

*Delivered*

GPO Box 1903  
ADELAIDE SA 5000

Level 5, 115 Grenfell Street  
ADELAIDE SA 5000

Cheques should be made payable to "**Apollo Consolidated Limited – Share Offer Account**" and crossed "Not Negotiable". Completed Promoter Offer Application Forms must reach one of the above addresses by no later than the Closing Date.

### **General Offer**

Applications for Shares under the General Offer must be made using the General Offer Application Form.

Payment for the Shares must be made in full at the issue price of \$0.005 per Share and in minimum parcels of \$500. Completed General Offer Application Forms and accompanying cheques must be mailed or delivered to Computershare Investor Services Pty Limited:

*Mailed:*

*Delivered:*

GPO Box 1903  
ADELAIDE SA 5000

Level 5, 115 Grenfell Street  
ADELAIDE SA 5000

Cheques should be made payable to "**Apollo Consolidated Limited – Share Offer Account**" and crossed "Not Negotiable". Completed General Offer Application Forms must reach one of the above addresses by no later than the Closing Date.

## **2.4 Allotment**

Allotment of Securities offered by this Prospectus will take place as soon as practicable after any applications are received, and the Company reserves the right to progressively allot and issue Securities. Prior to allotment, all application moneys shall be held by the Company on trust. The Company, irrespective of whether the allotment of Securities takes place, will retain any interest earned on the application moneys.

The Directors reserve the right to allot Securities in minimum parcels of \$500, or to decline any application. Where no allotment is made, the surplus application moneys will be returned by cheque to the Applicant within seven (7) days of the allotment date.

## **2.5 Minimum Subscription**

The minimum subscription for the Offers is \$450,000.

## **2.6 Market Price of Shares**

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are quoted on ASX. The Company's shares have been suspended from trading on the ASX since 18 March 2008.

## **2.7 ASX Listing**

Application will be made within 7 days after the date of this Prospectus to ASX for permission for the Shares issued pursuant to this Prospectus to be listed for official quotation by ASX. The Options offered under this Prospectus will not be quoted.

In the event that ASX does not grant permission for the official quotation of the Shares within 3 months after the date of issue of this Prospectus (or such period as is varied by the ASIC), none of the Securities offered by this Prospectus will be allotted or issued and the Company will repay all application moneys within the time period set out under the Corporations Act, without interest.

## **2.8 Restrictions on the Distribution of the Prospectus**

The distribution of this Prospectus outside the Commonwealth of Australia may be restricted by law.

This Prospectus is not intended to, and does not, constitute an offer of, or invitation to apply for, securities in any place which, or to any person to whom, the making of such offer or invitation would not be lawful under the laws of any jurisdiction outside Australia.

## **2.9 Clearing House Electronic Sub-register System (“CHESS”) and Issuer Sponsorship**

The Company will not be issuing Share certificates. The Company will apply to ASX to participate in CHESS, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHESS will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Securities allotted to them under this Prospectus. The notice will also advise holders of their Holder Identification Number (**HIN**) and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

Further monthly statements will be provided to holders in circumstances in which there have been any changes in their Security holding in the Company during the preceding month.

## **2.10 Taxation**

The Company does not propose to give any taxation advice and neither the Company, its Directors nor its officers accept any responsibility or liability for any taxation consequence to Applicants. Applicants should consult their own professional tax advisers in regard to taxation implications of the Offers.

## **2.11 Privacy Act**

If you complete an application for Securities, you will be providing personal information to the Company (directly or by the Company’s share registry). The Company collects, holds and will use that information to assess your application, service your needs as a Securityholder, facilitate distribution payments and corporate communications to you as a Securityholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your Securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (as amended), the Corporations Act and certain rules such as the SCH Business Rules. You should note that if you do not provide the information required on the application for Securities, the Company may not be able to accept or process your application.

## **2.12 Enquiries**

Any questions concerning the Offers should be directed to Mr George Ventouras on +61 8 9321 4000.

### 3. PURPOSE AND EFFECT OF THE OFFERS

#### 3.1 Purpose of the Offers

The purpose of the Offers is to raise \$1,625,000 (before expenses of the Offers). The proceeds of the Offers are planned to be used in accordance with the table set out below:

	Year 1	Year 2	Total
Payment to the Administrators under the DOCA	\$350,000	nil	<b>\$350,000</b>
Costs of Proposal	\$100,000	nil	<b>\$100,000</b>
Development of existing assets	\$150,000	\$150,000	<b>\$300,000</b>
Review & evaluation of new projects	\$150,000	\$150,000	<b>\$300,000</b>
Working capital	\$220,000	\$355,000	<b>\$575,000</b>
<b>Total<sup>1,2</sup></b>	<b>\$970,000</b>	<b>\$655,000</b>	<b>\$1,625,000</b>

**Notes:**

1. In the event the Company does not raise \$1,625,000 pursuant to the Offers, the proceeds will be scaled back on a pro rata basis, except that the payment to the Administrators under the DOCA and the costs of the Proposal will be paid first.
2. The Board reserves the right to alter this budget as result of a change in circumstances or intervening events. This budget is a statement of present intention.

#### 3.2 Effect of the Offers and Pro Forma Consolidated Statement of Financial Position

The principal effect of the Offers (assuming the Offers are fully subscribed) will be to:

- (a) increase cash reserves by up to \$1,625,000 immediately after completion of the Offers and before estimated expenses of the Offers;
- (b) increase the number of Shares on issue from 9,538,462 Shares as at the date of this Prospectus, to 359,538,462 Shares; and
- (c) increase the number of Options on issue from 492,500 Options as at the date of this Prospectus to 50,492,500 Options.

Set out below is:

- (a) an unaudited consolidated statement of financial position of the Company as at 30 June 2009; and
- (b) an unaudited pro-forma consolidated statement of financial position of the Company as at 30 June 2009 incorporating the effect of the Offers and the effectuation of the DOCA.

#### 4. CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		Consolidated	
	Note	30 June 2009 unaudited \$	30 June 2009 Pro-forma \$*
<b>Current assets</b>			
Cash and cash equivalents		-	1,174,500
Trade and other receivables		-	-
Inventories	4.1	17,949	17,949
Assets allocated for settlement of DOCA			-
Cash & cash equivalents		34,047	-
ATO R&D rebate receivable		342,762	-
<b>Total current assets</b>		<b>394,758</b>	<b>1,192,449</b>
<b>Total assets</b>		<b>394,758</b>	<b>1,192,449</b>
<b>Current liabilities</b>			
Trade and other payables	4.2	(450,500)	-
Liabilities to be settled under DOCA		(1,025,533)	-
<b>Total current liabilities</b>		<b>(1,476,033)</b>	<b>-</b>
<b>Total liabilities</b>		<b>(1,476,033)</b>	<b>-</b>
<b>Net assets / (liabilities)</b>		<b>(1,081,275)</b>	<b>1,192,449</b>
<b>Equity</b>			
Issued capital		31,233,709	32,858,709
Reserves		2,016,401	2,016,401
Accumulated losses		(34,331,385)	(33,682,659)
<b>Total equity / (deficit)</b>		<b>(1,081,275)</b>	<b>1,192,449</b>

\*Assumes no over-subscriptions are accepted. If full oversubscriptions of 100 million Shares are accepted, the Company will raise a further \$500,000.

##### 4.1 Inventories

The unaudited accounts for the year to 30 June 2009 include a provision of \$142,450 recognised against the carrying value of OTC inventories, primarily to write down, in full, the Company's stocks of raw materials, packaging and promotional materials. The Company's accounting policies do not permit the recognition of an asset in respect of the brand names, trademarks, goodwill, designs and other internally-generated assets associated with the OTC products.

##### 4.2 Trade and Other Payables

This amount (\$450,500 before pro-forma adjustments) includes the payment to be made to the Administrators under the DOCA and accrued costs of the Proposal.

A comparative table of changes in the capital structure of the Company as a consequence of the Offers is set out below, assuming that the General Offer is fully subscribed.

### Shares

	<b>Number</b>
Shares currently on issue	9,538,462
Shares offered pursuant to the Offers	350,000,000
<b>Total Shares on issue after completion of the Offers<sup>1</sup></b>	<b>359,538,462</b>

#### Notes:

<sup>1</sup>. Assumes no oversubscriptions are received. Oversubscriptions would result in the issue of an additional 100 million Shares.

### Options

	<b>Number</b>
Options exercisable at \$11.00 each expiring 1 March 2010	20,000
Options exercisable at \$11.00 each expiring 20 May 2010	30,000
Options exercisable at \$13.00 each expiring 1 March 2011	10,000
Options exercisable at \$13.00 each expiring 20 May 2011	100,000
Options exercisable at \$13.00 each expiring 24 November 2011	2,500
Options exercisable at \$11.00 each expiring 1 February 2012	330,000
Options offered pursuant to the Promoter Offer	50,000,000
<b>Total Options on issue after completion of the Offers<sup>1</sup></b>	<b>50,492,500</b>

#### Notes:

<sup>1</sup>. Assumes no Options are exercised or cancelled.

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## 5. COMPANY OVERVIEW

### 5.1 Background

Apollo was admitted to the Official List of ASX on or about 28 June 2005 and carried on business in the areas of pharmaceuticals, biotechnology and life sciences.

The principal activities were the progression of the Company's three platforms, human cell expressed proteins, transdermal delivery technology (**Intradel**) and oral delivery technology.

The Company also developed and was marketing a range of over the counter (**OTC**) skin care products. The Company had some sales momentum for its range of Ellipse Skin Science products, including an initial opening order from Myer.

Some of the Ellipse Skin Science products use Apollo's Intradel nanotechnology as well as micro droplet emulsion and oil/water cream emulsion technologies to provide superior skin care protection and rejuvenation. More detail in respect of these products is set out below.

### 5.2 Administration Overview

In the second half of 2007, and given the unstable financial markets at that time, the Company pursued a range of actions to generate cashflow and reduce expenditure, while at the same refocusing its activities on the core business of advancing topical and oral protein-based clinical candidates.

In March 2008, the Company decided to reduce costs and realise non core assets, aiming to enhance opportunities to obtain the best return on shareholders' investments.

Cost reductions took the form of reducing staff and other expenditure to the minimum required to process ongoing sales, realise assets and settle liabilities.

The Company acknowledged at this time that there was significant uncertainty relating to its ability to operate as a going concern, which was dependent on a successful outcome of the discussions around the OTC business, licensing, a successful capital raising or a combination of these activities.

The Company was suspended from trading on ASX on 18 March 2008 at its request. Notwithstanding its best efforts to seek alternative funding, on 24 October 2008, David Young and Anthony Elkerton of Pitcher Partners, insolvency specialists, were appointed as Joint Administrators.

At a meeting of creditors held on 26 November 2008, it was resolved to accept the deed of company arrangement (**DOCA**) recommended by the Joint Administrators so that the Company could seek and negotiate proposals to reconstruct the Company with interested parties. The DOCA was signed on 3 December 2008.

Blueknight put forward a recapitalisation proposal and, after some amendments on 6 February 2009, the proposal was accepted on 10 February 2009.

Under the recapitalisation proposal, it was agreed that \$350,000 would be paid to the Deed Administrators for distribution under the DOCA via a creditors' trust. A variation to the DOCA was made following a creditors' meeting on 30 March 2009 to reflect the recapitalisation proposal put forward by Blueknight. A

creditors' trust deed will be established pursuant to the varied DOCA which will be used to pay the Deed Administrators' fees and costs, the Joint Administrators' fees and costs and the Trustees' fees and costs, with the balance distributed to creditors as full and final payment of the Company's outstanding debts.

The Company will retain the OTC skin care business, including all stock and associated materials, and all other assets will be transferred to the creditors' trust.

The proposal was set out in a Notice of General Meeting which was sent to Shareholders in July 2009. Shareholders passed the necessary resolutions on 4 August 2009 for the Company to proceed with the proposal.

Subject to the successful raising of the required funds under this Prospectus, and on satisfaction of certain other conditions (which the Company considers to be standard, including the lodgement of all statutory reports) ASX has advised the Company that it is likely that the suspension of trading on the Company's Shares will be lifted.

### 5.3 Proposed Business Plan – OTC Skin Care Products

Prior to entering into administration, the Company was seeking to market its skin care products, both in Australia and in the USA.

The Company had secured an initial opening order of \$105,000 from Myer for its range of Ellipse Skin Science products and it was, at that time, expecting monthly follow up orders as products gained momentum.

In December 2007, the Company launched its unique range of advanced skin care products into selected Myer stores across Australia. At that time, the skin care products were expected to generate approximately \$1.8 million in revenue for the calendar year. Those sales did not eventuate due to the Company being placed in administration.

Apollo's Intradel technology was used in some of the skin care products. This was used to deliver nano-sized water droplets which carried ingredients that protect and rejuvenate skin, deep into the skin. The droplets are up to 10 times smaller than oil droplets contained in regular creams and their distinctive composition allows them to squeeze between skin cells. It was considered at the time that the adaptability of Intradel would allow Apollo to generate cashflow while the Company progressed clinical trials of its other drugs.

The products in Apollo's Ellipse Skin Science product range are set out below including the then recommended retail price\*:

<b>Product</b>	<b>RRP (AUD)</b>
Deep-Penetrating Wrinkle Treatment	\$110
Deep-Penetrating Cellulite Serum	\$110
Deep-Pore Cleansing Serum	\$45
Penetrating Skin Whitener	\$60
Eye Treatment Cream	\$70
Skin Sensitive Eye Wrinkle Treatment	\$70
Skin Renewal Face + Neck Moisturiser	\$40
Skin Renewal Day Cream with SPF15	\$60
Skin Renewal Night Cream	\$60



Body Firming Lotion	\$70
Skin Renewal Hand Cream SPF10	\$30

\*The pricing will be reviewed by the Board as this reflected the then pricing in December 2007.

This range is targeted towards the “premium but attainable” market with a point of difference based on strong scientific credibility. The previous brand strategy focused on genuine scientific heritage and was positioned to capitalise on the emerging trend toward nanotechnology.

The Company also has a low end skin care range under the Apollo Applied Science brand. This range is targeted towards the mass consumer market with a point of difference based on strong scientific credibility. The brand strategy is similar to the Ellipse Skin Science range and the products are similar. This range was the intended range for distribution in the USA.

Apollo intends to undertake an operational review of this business and assets with a view to continuing to operate it as a going concern. This may involve some or all of the following activities:

- (a) Re-launch – the products will need to be relaunched, with a focus on the cosmeceutical aspect of the products. The method of the re-launch will require consideration and this could be either via web based or retail based distribution, potential tie ins with day spas and beauticians and other marketing opportunities including endorsements, sponsorships and product placements.
- (b) New product development – the Company will consider whether it is feasible to introduce new products utilising contract manufacturers’ own formulas. This would allow the Company to launch new products that may complement the existing ranges.
- (c) Branding – it is possible that a different range of products could be included under the “Apollo” brand and this will be assessed in light of current market trends.
- (d) The Company will assess whether it should enter into joint ventures with existing parties in the industry or seek to license some of its technology. These alternatives would assist in negating the requirement for excess capital expenditure, while at the same time allowing the Company to capitalise on the position that the business attained prior to the administration.

Shareholders need to be aware that the development of these products and the marketing of a brand will take time and there is no certainty that the products will be successful.

#### **5.4 Other Opportunities**

In addition to the above, the new Board will actively review new transactions that may or may not be in the same sector, with the objective of creating shareholder value.

As at the date of this Prospectus, a number of opportunities are being presented to the Board.

The Board does not intend to progress or pursue any of these opportunities until the capital raising contemplated by this Prospectus is complete.

It should be noted that by pursuing these new opportunities, it may be that the Company will be required to re-comply with Chapters 1 and 2 of the ASX Listing Rules. This will depend on the transaction, which would also require Shareholder approval.

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## **6. DIRECTORS AND CORPORATE GOVERNANCE**

### **6.1 Directors**

#### **Mr Roger Steinepreis – Director**

Roger Steinepreis graduated from the University of Western Australia where he completed his law degree. He was admitted as a barrister and solicitor of the Supreme Court of Western Australia in 1987 and has been practising as a lawyer for approximately 22 years.

He is the legal adviser to a number of public companies on a wide range of corporate related matters. His areas of practice focus on company restructures, initial public offerings and takeovers. Mr Steinepreis is a non-executive director of Imugene Limited, Adavale Resources Limited and ComTel Corporation Limited and the Chairman of Avonlea Minerals Limited.

#### **Mr George Ventouras – Director**

George Ventouras is a marketing consultant with over 20 years' experience in marketing, business development and general management roles. He has consulted with companies both nationally and internationally, in relation to the development and capitalisation of projects, the supply of infrastructure and equipment and provision of administrative and logistical support. Mr Ventouras has experience in various market categories, including industrial, particularly aquaculture, consumer and luxury goods.

#### **Mr Nick Castleden – Director**

Nick Castleden is a geological consultant with 19 years' experience in the Australian and overseas mineral exploration and development industry. He has worked with active Australian mining companies including Mt Isa Mines (MIM), Perilya Mines, MPI Mines, LionOre and Breakaway Resources in various exploration, geological and management capacities.

Mr Castleden has worked on projects in Australia and North and South America, and in project generative and acquisition roles. He has particular experience in the gold and nickel and basemetal exploration business and has participated in the discovery and delineation of new nickel-sulphide and gold systems that have progressed through feasibility studies to mining.

### **6.2 Corporation Governance**

The Company's main corporate governance policies and practices are outlined below.

#### **6.2.1 The Board of Directors**

The Company's Board of Directors is responsible for corporate governance of the Company. The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. The goals of the corporate governance processes are to:

- (a) maintain and increase Shareholder value;
- (b) ensure a prudential and ethical basis for the Company's conduct and activities; and

- (c) ensure compliance with the Company's legal and regulatory objectives.

Consistent with these goals, the Board assumes the following responsibilities:

- (a) developing initiatives for profit and asset growth;
- (b) reviewing the corporate, commercial and financial performance of the Company on a regular basis;
- (c) acting on behalf of, and being accountable to, the Shareholders; and
- (d) identifying business risks and implementing actions to manage those risks and corporate systems to assure quality.

The Company is committed to the circulation of relevant materials to Directors in a timely manner to facilitate Directors' participation in Board discussions on a fully-informed basis.

### **6.2.2 Composition of the Board**

Election of Board members is substantially the province of Shareholders in general meeting. However, subject thereto, the Company is committed to the following principles:

- (a) the Board is to comprise Directors with a blend of skills, experience and attributes appropriate for the Company and its business; and
- (b) the principal criterion for the appointment of new Directors is their ability to add value to the Company and its business.

No formal nomination committee or procedures have been adopted for the identification, appointment and review of the Board membership, but an informal assessment process, facilitated by the Chairman in consultation with the Company's professional advisors, has been committed to by the Board.

### **6.2.3 Independent Professional Advice**

Subject to the Chairman's approval (not to be unreasonably withheld), the Directors, at the Company's expense, may obtain independent professional advice on issues arising in the course of their duties.

### **6.2.4 Remuneration Arrangements**

The remuneration of an executive Director will be decided by the Board, without the affected executive Director participating in that decision-making process.

The total maximum remuneration of non-executive Directors is the subject of a Shareholder resolution in accordance with the Company's Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum amount will be made by the Board, having regard to the inputs and value to the Company of the respective contributions by each non-executive Director.

The Board may award additional remuneration to non-executive Directors called upon to perform extra services or make special exertions on behalf of the Company.

### **6.2.5 External Audit**

The Company in general meetings is responsible for the appointment of the external auditors of the Company, and the Board from time to time will review the scope, performance and fees of those external auditors.

### **6.2.6 Audit Committee**

The Company is to have a separately constituted audit committee.

### **6.2.7 Identification and Management of Risk**

The Board's collective experience will enable accurate identification of the principal risks that may affect the Company's business. Key operational risks and their management will be recurring items for deliberation at Board meetings.

### **6.2.8 Ethical Standards**

The Board is committed to the establishment and maintenance of appropriate ethical standards.

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## **7. RIGHTS ATTACHING TO SECURITIES**

The following is a summary of the more significant rights attaching to the Securities. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Securityholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights attaching to Securities are set out in the Company's Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

### **7.1 Terms of Shares**

#### ***General Meetings***

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with Section 249D of the Corporations Act and the Constitution of the Company.

#### ***Voting Rights***

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at general meetings of Shareholders or classes of Shareholders:

- (a) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (b) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (c) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each Share held by them, or in respect of which they are appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid Shares shall have a fraction of a vote equivalent to the proportion which the amount paid up bears to the total issue price for the Share.

#### ***Dividend Rights***

The Board may from time to time declare and pay or credit a dividend in accordance with the Corporations Act. Subject to any special right as to dividends attaching to a Share, all dividends will be declared and paid according to the proportion which the amount paid on the Share is to the total amount payable in respect of the Shares (but any amount paid during the period in respect of which a dividend is declared only entitles the Shareholder to an apportioned amount of that dividend as from the date of payment). The Directors may from time to time pay or credit to Shareholders such interim dividends as they may determine. No dividends shall be payable except out of profits. A determination by the Board as to the profits of the Company shall be conclusive. No dividend shall carry interest as against the Company.

The Board may from time to time grant to Shareholders or any class of shareholders the right to elect to reinvest cash dividends paid by the Company by subscribing for shares in the Company on such terms and conditions as the Directors think fit. The Directors may, at their discretion, resolve in respect of any dividend which it is proposed to pay or to declare on any shares of the Company, that holders of such shares may elect to forgo their right to the whole or part of the proposed dividend and to receive instead an issue of shares

credited as fully paid to the extent and on the terms and conditions of the Constitution. The Directors may set aside out of the profits of the Company such amounts as they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

### ***Winding-Up***

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he or she considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of shareholders. The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

### ***Transfer of Shares***

Generally, Shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the Listing Rules.

### ***Future Increase in Capital***

The allotment and issue of any new Shares is under the control of the Board. Subject to restrictions on the issue or grant of securities contained in the Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing Share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

### ***Variation of Rights***

Under Section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders, vary or abrogate the rights attaching to Shares.

If at any time the Share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

## **7.2 Terms of Options**

The Options entitle the holder to subscribe for Shares on the following terms and conditions:

- (a) Each Option gives the Optionholder the right to subscribe for one Share. To obtain the right given by each Option, the Optionholder must exercise the Options in accordance with these terms and conditions.

- (b) The Options will expire at 5:00pm (AEST) on 31 December 2012 (**Expiry Date**). Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (c) The amount payable upon exercise of each Option will be \$0.005 (**Exercise Price**).
- (d) The Options may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
- (e) Optionholders may exercise their Options by lodging with the Company, before the Expiry Date:
  - (i) a written notice of exercise of Options specifying the number of Options being exercised; and
  - (ii) a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised;

**(Exercise Notice).**

- (f) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (g) Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice.
- (h) The Options are not transferable.
- (i) All Shares allotted upon the exercise of Options will upon allotment rank pari passu in all respects with other Shares.
- (j) The Company will not apply for quotation of the Options on ASX. However, the Company will apply for quotation of all Shares allotted pursuant to the exercise of the Options on ASX within 10 Business Days after the date of allotment of those Shares.
- (k) If at any time the issued capital of the Company is reconstructed, all rights of the Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (l) There are no participating rights or entitlements inherent in the Options and the Optionholder will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least six (6) Business Days after the issue is announced. This will give the Optionholder the opportunity to exercise the Options prior to the date for determining entitlements to participate in any such issue.
- (m) In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to Shareholders after the date of issue of the Options, the exercise price of the Options may be reduced in accordance with the formula set out in ASX Listing Rule 6.22.2.



- (n) In the event the Company proceeds with a bonus issue of securities to Shareholders after the date of issues of the Options, the number of securities over which an Option is exercisable may be increased by the number of securities which the Optionholder would have received if the Option had been exercised before the record date for the bonus issue.

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## **8. RISK FACTORS**

### **8.1 General**

The Securities offered under this Prospectus should be considered speculative because of the nature of the Company's business. The future profitability of the Company will be dependent on the successful commercial exploitation of its business and operations.

Whilst the Directors recommend the Offers, there are numerous risk factors involved. The following is a summary of the more material matters to be considered. However, this summary is not exhaustive and potential investors should examine the contents of this Prospectus in its entirety and consult their professional advisors before deciding whether to apply for the Securities.

Factors which may affect the Company's financial position, prospects and the price of its listed securities include the following:

### **8.2 Operating Risks**

The current and future operations of the Company may be affected by a range of factors, including:

- (a) unexpected shortages or increases in the costs of labour, consumables, spare parts, plant and equipment; and
- (b) inability to obtain necessary licences, consents or approvals.

The performance of the Company and its ability to successfully conduct its business activities is not guaranteed. The value of your capital may not keep in pace with inflation, which reduces the purchasing power of your money. The investment strategy, process and guidelines are to be executed on a best endeavours basis only. The Company, its Directors, officers and employees cannot be held accountable, except to the extent required by law, for any breaches or omissions.

### **8.3 Economic Risks**

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's development and future activities, as well as on its ability to fund those activities.

### **8.4 Market Conditions**

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

### **8.5 Security Investments**

Applicants should be aware that there are risks associated with any securities investment. Securities listed on the stock market have experienced extreme price and volume fluctuations that have often been unrelated to the operating performances of such companies. These factors may materially affect the market price of the Securities regardless of the Company's performance.

## **8.6 Legislative Changes, Government Policy and Approvals**

Changes in government regulations and policies may adversely affect the financial performance of the Company. The Company's capacity to carry out its operations may be affected by changes in government policy, which are beyond the Company's control.

## **8.7 Future Capital Requirements**

The Company's ongoing activities will require substantial expenditure. There can be no guarantee that the funds raised through the Offers will be sufficient to successfully achieve all the objectives of the Company's overall business strategy. If the Company is unable to continue to use debt or equity to fund expansion after the substantial exhaustion of the net proceeds of the Offers, there can be no assurances that the Company will have sufficient capital resources for that purpose, or other purposes, or that it will be able to obtain additional fundraising on terms acceptable to the Company or at all. Any additional equity financing may be dilutive to Securityholders and any debt financing if available may involve restrictive covenants, which may limit the Company's operations and business strategy.

The Company's failure to raise capital if and when needed could delay or suspend the Company's business strategy and could have a material adverse effect on the Company's activities.

## **8.8 Technology**

The Company operates in the technology sector. The Company has previously been innovative in its product offerings and range. The frequency and speed of technological change in this sector means that a third party product with alternative technology to the technology on which the Company's products are based could be brought to market.

## **8.9 Intellectual Property**

Securing rights to intellectual property, and in particular patents, is an integral part of securing potential product value for the Company. Competition in retaining and sustaining protection of intellectual property and the complex nature of some intellectual property can lead to expensive and lengthy patents disputes for which there can be no guaranteed outcome.

## **8.10 New Board**

The Company has recently appointed a new board of Directors who have limited expertise in the industry in which the Company operates. It will therefore be important that the Company attracts the right personnel to ensure it can appropriately develop the Company's business moving forward.

## **8.11 Other Projects**

The Company may look to complete other investments and acquisitions in the future, the details of which are not known at the date of this Prospectus. Those acquisitions and investments will carry their own set of risks.

## **8.12 Investment Speculative**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Securities offered under this Prospectus. Therefore, the Securities to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Securities.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

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## 9. ADDITIONAL INFORMATION

### 9.1 Continuous Disclosure Obligations

The Company is a “disclosing entity” (as defined in Section 111AC of the Corporations Act) for the purposes of Section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company’s securities. The Shares that will be issued pursuant to this Prospectus will be in the same class of Shares that have been quoted on the official list of ASX during the 12 months prior to the issue of this Prospectus.

In general terms “transaction specific prospectuses” are only required to contain information in relation to the effect of the issue of securities on the Company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 12 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act, states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
  - (i) the annual financial report most recently lodged by the Company with the ASIC;
  - (ii) any half year financial report lodged with the ASIC by the Company after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
  - (iii) any documents used to notify ASX of information relating to the Company during that period in accordance with ASX Listing Rules as referred to in Section 674(1) of the Corporations Act.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

For details of documents lodged with ASX since the date of lodgement of the Company's latest annual financial report refer to the table set out below.

<b>Date</b>	<b>Description of Announcement</b>
31/08/2009	Company Secretary Appointment/Resignation
25/08/2009	Suspension from OQ - Annual Listing Fees - Non-Payment *
19/08/2009	Consolidation of Issued Capital
06/08/2009	ASX Circular - Reorganisation of Capital
05/08/2009	Consolidation Timetable
05/08/2009	Final Director's Interest Notices
05/08/2009	Results of Meeting / Appendix 3X / Appendix 3Z
05/08/2009	Initial Director's Interest Notice
03/07/2009	AOP Proxy Form
03/07/2009	Notice of General Meeting
14/05/2009	Fourth Update to Shareholders
10/02/2009	Letter to Shareholders
08/12/2008	Administrators` second update to shareholders
26/11/2008	Results of Creditors Meeting
06/11/2008	Administrators` Update to Shareholders
03/11/2008	Administrators Appointed
24/10/2008	Joint Administrators Appointed
23/10/2008	Update
01/10/2008	Update on Funding
01/10/2008	2008 Financial Statements
29/08/2008	Preliminary Final Report
19/08/2008	Results of General Meeting - 19th August 2008
19/08/2008	19th August 2008 General Meeting - Presentation Notes
31/07/2008	Appendix 4C - quarterly
21/07/2008	Notice of General Meeting
04/07/2008	Restructure Update
23/06/2008	Notice of Meeting - Other
18/06/2008	Completion of Research Proteins Transaction
10/06/2008	Signs Agreement for Research Proteins Business
16/05/2008	Apollo Update - Licensing of Research Proteins Business
06/05/2008	Final Director's Interest Notice
02/05/2008	Internal
30/04/2008	Appendix 4C - quarterly

<b>Date</b>	<b>Description of Announcement</b>
30/04/2008	Appendix 4C - quarterly
23/04/2008	Deloitte appointed to advise on restructure
15/04/2008	AOP Restructure update 15 April 2008
01/04/2008	Company Secretary and Update
18/03/2008	Suspension from Official Quotation
18/03/2008	Suspension from Official Quotation
18/03/2008	Strategic focus on reducing expenditure and realising assets
29/02/2008	Half Yearly Report and Accounts
11/02/2008	Shareholder Newsletter - January 2008
05/02/2008	Growth for Apollo's human proteins
31/01/2008	Appendix 4C - quarterly
17/01/2008	Apollo's Ellipse products start to generate revenue
20/12/2007	Apollo's oral insulin - 2007 R and D update and 2008 roadmap
10/12/2007	Shareholder Newsletter - November 2007
20/11/2007	Results of 2007 Annual General Meeting
20/11/2007	AGM 2007 Presentation - Speaking Notes
20/11/2007	AGM 2007 Presentation
19/11/2007	Apollo launches into Myer with new skincare range
14/11/2007	Apollo's oral insulin - key studies completed for trial
02/11/2007	Shareholder Newsletter October 2007
31/10/2007	Appendix 4C - quarterly
31/10/2007	Apollo's oral insulin approach confirmed by US research

\*The annual listing fee was paid on 25 August 2009.

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal hours.

## **9.2 Consents**

The following consents have been given in accordance with the Corporations Act and have not been withdrawn as at the date of lodgement of this Prospectus with the ASIC.

Steinepreis Paganin have given their written consent to being named as solicitors to the Company and have not withdrawn their consent prior to lodgement of this Prospectus with the ASIC.

Computershare Investor Services Pty Limited has given its written consent to being named as the Company's share registry and has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Patersons Securities Limited has given its written consent to being named as the lead manager under this Prospectus and has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

None of the entities referred to in this Section 9.2 have authorised or caused the issue of this Prospectus and do not accept any liability to any persons in respect of any false or misleading statement in, or omission from, any part of this Prospectus.

### 9.3 Directors' Interests

Other than as set out below or elsewhere in this Prospectus, no Director (or proposed Director) nor any organisation in which such a Director or proposed Director is a partner or director, has or had within 2 years before the lodgement of this Prospectus with the ASIC, any interest in:

- (a) the promotion or formation of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the offer of Securities pursuant to this Prospectus; or
- (c) the offer of Securities pursuant to this Prospectus,

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) to any Director or proposed Director or to any organisation in which any such Director or proposed Director is a partner or director, either to induce him to become, or to qualify him as, a Director or otherwise for services rendered by him or by the firm in connection with the promotion or formation of the Company.

Each Director's interests in Securities at the date of this Prospectus are:

Director	Shares	Options
Roger Steinepreis <sup>1</sup>	Nil	Nil
George Ventouras <sup>2</sup>	Nil	Nil
Nick Castleden <sup>3</sup>	Nil	Nil

**Notes:**

<sup>1</sup> Mr Steinepreis or his nominee will subscribe for 10 million Shares and 10 million Options under the Promoter Offer and 40 million Shares under the General Offer.

<sup>2</sup> Mr Ventouras will subscribe for 5 million Shares and 5 million Options under the Promoter Offer and 5 million Shares under the General Offer.

<sup>3</sup> Mr Castleden will subscribe for 5 million Shares and 5 million Options under the Promoter Offer and 10 million Shares under the General Offer

The Constitution of the Company provides that the Directors may be paid for their services as Directors, a sum not exceeding such fixed sum per annum as may be determined by the Company in general meeting, where notice of the amount of the suggested increase and the maximum sum that may be paid shall have been given to Shareholders in the notice convening the meeting. The current Directors have not been paid any fees in the previous 2 years and their proposed remuneration has not yet been set, other than Mr Ventouras will receive a fee of \$15,000 for his services in completing the recapitalisation and Steinepreis Paganin, a firm of which Mr Steinepreis is a partner will receive a fee



of \$15,000 for legal services, plus re-imburement of all out of pocket expenses, including expenses incurred on behalf of the Company.

#### **9.4 Interests of Experts and Advisers**

Other than as set out below or elsewhere in this Prospectus, no expert nor any organisation in which such expert has an interest, has or had within 2 years before the lodgement of this Prospectus with the ASIC, any interest in:

- (a) the promotion or formation of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the offer of Securities pursuant to this Prospectus; or
- (c) the offer of Securities pursuant to this Prospectus,

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) to any expert or to any firm in which any such expert is a partner, either to induce them to become, or to qualify them as, a expert or otherwise for services rendered by them or by the firm in connection with the promotion or formation of the Company.

Steinepreis Paganin acted as solicitors to the Company. Steinepreis Paganin will be paid approximately \$15,000 for services provided in relation to the recapitalisation and this Prospectus. Mr Roger Steinepreis, a Director of the Company, is a partner of Steinepreis Paganin.

Patersons Securities has acted as lead manager in relation to the Offers under this Prospectus. Patersons Securities will be paid a placement fee of approximately 5% of funds raised by them under the Offers, plus a management fee.

#### **9.5 Estimated Expenses of Offers**

The total estimated expenses of the Offers are expected to be \$100,000, including placement fees.

#### **9.6 Electronic Prospectus**

Pursuant to Class Order 00/44, the ASIC has exempted compliance with certain provisions of the Corporations Act 2001 to allow distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus lodged with the ASIC, and the publication of notices referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please contact the Company and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both.

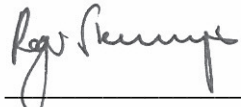
The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

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**10. DIRECTORS' CONSENT**

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with Section 720 of the Corporations Act, each Director has consented in writing to the lodgement of this Prospectus with the ASIC.



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**ROGER STEINEPREIS**  
**APOLLO CONSOLIDATED LIMITED (SUBJECT TO DEED OF COMPANY**  
**ARRANGEMENT)**

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## 11. DEFINITIONS

**AEST** means Australian Eastern Standard Time.

**Applicant** means an investor that applies for Securities using an Application Form pursuant to this Prospectus.

**Application Forms** means the Promoter Offer Application Form and the General Offer Application Form (both of which accompany this Prospectus) and **Application Form** means one of them.

**ASIC** means the Australian Securities and Investments Commission.

**ASTC** means ASX Settlement and Transfer Corporation Pty Ltd (ABN 49 008 504, 532).

**ASX** means ASX Limited (ACN 008 624 691) or the financial market operated by it, as the context requires.

**Blueknight** means Blueknight Corporation Pty Ltd (ACN 094 502 360), a company of which Roger Steinepreis is a director and shareholder.

**Business Day** means a day on which trading takes place on the stock market of ASX.

**CHES** means the Clearing House Electronic Subregister System operated by ASTC.

**Closing Date** means the closing date for receipt of Application Forms under this Prospectus as set out in Section 2.2.

**Company** or **Apollo** means Apollo Consolidated Limited (Subject to Deed of Company Arrangement) (ACN 102 084 917).

**Constitution** means the Company's Constitution as at the date of this Prospectus.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Directors** means directors of the Company at the date of this Prospectus.

**DOCA** means the deed of company arrangement entered into by the Company and certain of its subsidiaries.

**Dollar** or "\$" means Australian dollars.

**Exposure Period** means the period of seven (7) days after the date of lodgement of this Prospectus, which period may be extended by the ASIC by not more than seven (7) days pursuant to section 727(3) of the Corporations Act.

**General Offer** means the offer of 300 million Shares at \$0.005 per Share plus oversubscriptions of up to a further 100 million Shares at \$0.005 per Share as set out in this Prospectus.

**Listing Rules** or **ASX Listing Rules** means the Listing Rules of ASX.

**Offers** means the offers of Securities pursuant to this Prospectus as outlined in the Prospectus.

**Opening Date** means the opening date for receipt of Application Forms under this Prospectus as set out in Section 2.2.

**Option** means an option to acquire a Share.

**OTC** means over the counter.

**Patersons Securities** means Patersons Securities Limited (ACN 008 896 311).

**Promoter Offer** means the offer of 50 million Shares at \$0.0025 with a free attaching Option as set out in this Prospectus.

**Proposal** means the proposal by Blueknight to recapitalise and restructure the Company on the terms summarised in this Prospectus.

**Prospectus** means this Prospectus.

**SCH Business Rules** means the business rules of the securities clearing house for CHES.

**Securities** means Shares and Options or Shares or Options (as the context permits).

**Share** means a fully paid ordinary share in the capital of the Company.



## GUIDE TO THE PROMOTER OFFER APPLICATION FORM

If an Applicant has any questions on how to complete this Promoter Offer Application Form, please telephone the Company's Share Registry, Computershare Investor Services Pty Limited on 1300 787 272.

### A. Application for Securities

The Promoter Offer Application Form must only be completed in accordance with instructions included in Prospectus.

### B. Name of Applicant

Write the Applicant's FULL NAME. This must be either an individual's name or the name of a company. Please refer to the bottom of this page for the correct form of registrable title. Applications using the incorrect form of registrable title may be rejected.

### C. Name of Joint Applicants or Account Designation

If JOINT APPLICANTS are applying, up to three joint Applicants may register. If applicable, please provide details of the Account Designation in brackets. Please refer to the bottom of this page for instructions on the correct form of registrable title.

### D. Address

Enter the Applicant's postal address for all correspondence. If the postal address is not within Australia, please specify Country after City/Town.

### E. Contact Details

Please provide a contact name and daytime telephone number so that the Company can contact the Applicant if there is an irregularity regarding the Promoter Offer Application Form.

### F. CHESS HIN or existing SRN Details

The Company participates in CHESS. If the Applicant is already a participant in this system, the Applicant may complete this section with their existing CHESS HIN. If the Applicant is an existing Shareholder with an Issuer Sponsored account, the SRN for this existing account may be used. Otherwise leave the section blank and the Applicant will receive a new Issuer Sponsored account and statement.

### G. Cheque Details

Make cheques payable to "**Apollo Consolidated Limited – Share Offer Account**" in Australian currency and cross them "**Not Negotiable**". Cheques must be drawn on an Australian Bank. The amount of the cheque should agree with the amount shown on the Promoter Offer Application Form.

### H. Declaration

This Promoter Offer Application Form does not need to be signed. By lodging this Promoter Offer Application Form and a cheque for the application money this Applicant hereby:

- (1) applies for the number of Securities specified in the Promoter Offer Application Form or such lesser number as may be allocated by the Directors;
- (2) agrees to be bound by the Constitution of the Company;
- (3) authorises the directors of the Company to complete or amend this Promoter Offer Application Form where necessary to correct any errors or omissions;
- (4) acknowledges that he/she has received a copy of the Prospectus attached to this Promoter Offer Application Form or a copy of the Promoter Offer Application Form before applying for the Securities; and
- (5) acknowledges that he/she will not provide another person with this Promoter Offer Application Form unless it is attached to or accompanied by the Prospectus.

### CORRECT FORMS OF REGISTRABLE TITLE

Note that ONLY legal entities are allowed to hold securities. Promoter Offer Application Forms must be in the name(s) of a natural person(s), companies or other legal entities acceptable to the Company. At least one full given name and the surname is required for each natural person. Promoter Offer Application Forms cannot be completed by persons under 18 years of age. Examples of the correct form of registrable title are set out below.

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual Use given names in full, not initials	Mr John Alfred Smith	J A Smith
Company Use the company's full title, not abbreviations	ABC Pty Ltd	ABC P/L or ABC Co
Joint Holdings Use full and complete names	Mr Peter Robert Williams & Ms Louise Susan Williams	Peter Robert & Louise S Williams
Trusts Use the trustee(s) personal name(s).	Mrs Susan Jane Smith <Sue Smith Family A/C>	Sue Smith Family Trust
Deceased Estates Use the executor(s) personal name(s).	Ms Jane Mary Smith & Mr Frank William Smith <Est John Smith A/C>	Estate of late John Smith or John Smith Deceased
Minor (a person under the age of 18) Use the name of a responsible adult with an appropriate designation.	Mr John Alfred Smith <Peter Smith A/C>	Master Peter Smith
Partnerships Use the partners personal names.	Mr John Robert Smith & Mr Michael John Smith <John Smith and Son A/C>	John Smith and Son
Long Names.	Mr John William Alexander Robertson-Smith	Mr John W A Robertson- Smith
Clubs/Unincorporated Bodies/Business Names Use office bearer(s) personal name(s).	Mr Michael Peter Smith <ABC Tennis Association A/C>	ABC Tennis Association
Superannuation Funds Use the name of the trustee of the fund.	Jane Smith Pty Ltd <Super Fund A/C>	Jane Smith Pty Ltd Superannuation Fund



## GUIDE TO THE GENERAL OFFER APPLICATION FORM

If an Applicant has any questions on how to complete this General Offer Application Form, please telephone the Company's Share Registry, Computershare Investor Services Pty Limited on 1300 787 272.

### A. Application for Shares

The General Offer Application Form must only be completed in accordance with instructions included in Prospectus.

### B. Name of Applicant

Write the Applicant's FULL NAME. This must be either an individual's name or the name of a company. Please refer to the bottom of this page for the correct form of registrable title. Applications using the incorrect form of registrable title may be rejected.

### C. Name of Joint Applicants or Account Designation

If JOINT APPLICANTS are applying, up to three joint Applicants may register. If applicable, please provide details of the Account Designation in brackets. Please refer to the bottom of this page for instructions on the correct form of registrable title.

### D. Address

Enter the Applicant's postal address for all correspondence. If the postal address is not within Australia, please specify Country after City/Town.

### E. Contact Details

Please provide a contact name and daytime telephone number so that the Company can contact the Applicant if there is an irregularity regarding the General Offer Application Form.

### F. CHESSE HIN or existing SRN Details

The Company participates in CHESSE. If the Applicant is already a participant in this system, the Applicant may complete this section with their existing CHESSE HIN. If the Applicant is an existing Shareholder with an Issuer Sponsored account, the SRN for this existing account may be used. Otherwise leave the section blank and the Applicant will receive a new Issuer Sponsored account and statement.

### G. Cheque Details

Make cheques payable to "Apollo Consolidated Limited – Share Offer Account" in Australian currency and cross them "Not Negotiable". Cheques must be drawn on an Australian Bank. The amount of the cheque should agree with the amount shown on the General Offer Application Form.

### H. Declaration

This General Offer Application Form does not need to be signed. By lodging this General Offer Application Form and a cheque for the application money this Applicant hereby:

- (1) applies for the number of Shares specified in the General Offer Application Form or such lesser number as may be allocated by the Directors;
- (2) agrees to be bound by the Constitution of the Company;
- (3) authorises the directors of the Company to complete or amend this General Offer Application Form where necessary to correct any errors or omissions;
- (4) acknowledges that he/she has received a copy of the Prospectus attached to this General Offer Application Form or a copy of the General Offer Application Form before applying for the Shares; and
- (5) acknowledges that he/she will not provide another person with this General Offer Application Form unless it is attached to or accompanied by the Prospectus.

### CORRECT FORMS OF REGISTRABLE TITLE

Note that ONLY legal entities are allowed to hold securities. General Offer Application Forms must be in the name(s) of a natural person(s), companies or other legal entities acceptable to the Company. At least one full given name and the surname is required for each natural person. General Offer Application Forms cannot be completed by persons under 18 years of age. Examples of the correct form of registrable title are set out below.

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual Use given names in full, not initials	Mr John Alfred Smith	J A Smith
Company Use the company's full title, not abbreviations	ABC Pty Ltd	ABC P/L or ABC Co
Joint Holdings Use full and complete names	Mr Peter Robert Williams & Ms Louise Susan Williams	Peter Robert & Louise S Williams
Trusts Use the trustee(s) personal name(s).	Mrs Susan Jane Smith <Sue Smith Family A/C>	Sue Smith Family Trust
Deceased Estates Use the executor(s) personal name(s).	Ms Jane Mary Smith & Mr Frank William Smith <Est John Smith A/C>	Estate of late John Smith or John Smith Deceased
Minor (a person under the age of 18) Use the name of a responsible adult with an appropriate designation.	Mr John Alfred Smith <Peter Smith A/C>	Master Peter Smith
Partnerships Use the partners personal names.	Mr John Robert Smith & Mr Michael John Smith <John Smith and Son A/C>	John Smith and Son
Long Names.	Mr John William Alexander Robertson-Smith	Mr John W A Robertson-Smith
Clubs/Unincorporated Bodies/Business Names Use office bearer(s) personal name(s).	Mr Michael Peter Smith <ABC Tennis Association A/C>	ABC Tennis Association
Superannuation Funds Use the name of the trustee of the fund.	Jane Smith Pty Ltd <Super Fund A/C>	Jane Smith Pty Ltd Superannuation Fund