



3rd November 2010

Dear Optionholder

Antisense Therapeutics Limited – Underwritten pro rata renounceable rights issue

On 1 November 2010 Antisense Therapeutics Limited (**Antisense**) announced a capital raising of approximately \$2.4 million by way of an underwritten pro rata renounceable rights issue (**Rights Issue**) of 1 fully paid ordinary share in Antisense (**New Share**) at 0.8 cents per New Share for every two Antisense ordinary shares held at the record date of 7.00pm on 10 November 2010 (**Record Date**). One free attaching option (exercisable at 1.1 cents and expiring on 31 July 2012) (**New Option**) will be issued with every five New Shares.

On 1 November 2010 the company lodged a prospectus under section 713 of the *Corporations Act 2001* (Cth) for the Rights Issue to eligible Antisense shareholders and a copy of the prospectus will be made available on Antisense's website at www.antisense.com.au.

The Rights Issue is open to eligible Antisense shareholders on the share register as at 7.00pm (AEST) on 10 November 2010 with registered addresses in Australia and New Zealand. All other shareholders with registered addresses outside Australia and New Zealand are not eligible to participate in the Rights Issue.

Entitlements to New Shares pursuant to the Rights Issue are renounceable and will be traded on the ASX. Under the Rights Issue, eligible shareholders can choose whether or not to take up their entitlement in whole or in part. Shareholders who do not participate in the Rights Issue may sell their entitlements on the ASX. If shareholders take no action, they will not be allocated New Shares and their entitlements will lapse.

The New Shares will rank equally with the existing ordinary shares from the date of issue. Antisense currently has 592,327,999 ordinary shares and 9,860,000 options on issue. If the Rights Issue is fully subscribed and current optionholders exercise all of their options before the Record Date, 301,094,000 New Shares and 60,218,800 New Options will be issued. If current optionholders do not exercise any of their options before the Record Date, 296,164,000 New Shares and 59,232,800 New Options will be issued.

The indicative timetable for the Rights Issue is as follows:

Notice of Issue sent to Eligible Shareholders	3 November 2010
Shares trade 'ex-rights' and Rights trading commences on ASX	4 November 2010
Record Date to determine Entitlements under the Rights Issue	10 November 2010
Prospectus and Shareholder Application Form or Non-Shareholder Application Form (as the case may be) despatched	16 November 2010
Last day of Rights trading	25 November 2010
Closing Date for acceptances of Entitlements	2 December 2010
Allotment and Despatch Date	10 December 2010
Trading of New Shares and New Options expected to commence	13 December 2010

**The dates and times set out above are indicative only and subject to change.*

Your holding of options in Antisense does not entitle you to participate in the Rights Issue unless you exercise your options, and are entered onto the register as a shareholder, on or before the Record Date.

If you wish to participate in the Rights Issue it will be necessary for you to exercise your options that are currently exercisable and pay the current exercise price in accordance with the terms of your options well in advance of the Record Date to ensure that you are registered as a shareholder by that date.

If you do not wish to participate in the Rights Issue (in respect of your options) you do not need to take any action in respect of your options prior to the Record Date.

Further information in relation to Antisense's activities and the Rights Issue is available on the Company's website at www.antisense.com.au.

By order of the Board



Phillip Hains
Company Secretary