

**ASX and Media Release**

**Viralytics announces \$1.5 million placement and \$1.15 million put option**

**25th March 2010, Sydney:** Viralytics Limited (**ASX:** VLA, **VLAO OTC:** VRACY)

Viralytics Limited ('Viralytics') today announced a placement to raise approximately \$1.5185 million. The placement will consist of 28,650,000 new ordinary shares to be issued to sophisticated and professional investors at \$0.053 per share to raise \$1.5185 million, before costs of the issue. The placement price represents a 20% discount to the 10 day value weighted average price 'VWAP' for the period 9-22 March inclusive. It is anticipated that settlement of the placement and allotment of shares will occur on or about 29 March 2010.

Viralytics has also agreed to a put option to enable the company, at its election, to issue up to 28,650,000 new ordinary shares at \$0.04 per share at 30 June 2010 to raise up to approximately \$1.146 million (adjusted as noted below), before costs of the issue. The put option will enable Viralytics to issue the shares to Independent Advisor Solutions or other parties as Viralytics may agree. The put option provides Viralytics with an additional potential source of capital to supplement receipt of any funds from the exercise of its VLAO class options which expire at 29 June 2010. The amount raised under the put option will be reduced by the amount otherwise received from the exercise of VLAO class options and to compensate for any shortfall in the exercise of those VLAO class options. The pricing of the put option shares reflects the VLAO options which were issued for \$0.01 and which have an exercise price of \$0.03 per share.

Funds raised pursuant to the placement, and under the put option as relevant, will be applied to the continuation of clinical research and development of the company's lead product CAVATAK™.

HC Securities Pty Ltd acted as Lead Manager and Corporate Advisor to the capital raising.

The placement of the shares and the put option agreement are conducted in accordance with the ASX Listing Rule 7.1. '15% limit' and do not require shareholder approval. To maximise flexibility, however, Viralytics anticipates seeking 'refresher' approval from shareholders under ASX Listing Rule 7.4 at its next general meeting.

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Website: [www.viralytics.com](http://www.viralytics.com)

Further information regarding the Company is available on our website: [www.viralytics.com](http://www.viralytics.com)

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### **About Viralytics Ltd**

Viralytics is listed on the Australian Securities Exchange (ASX code: VLA). Viralytics' ADR trades under VRACY on the OTC market in the USA. Viralytics' principal asset is the intellectual property relating to CAVATAK™, an Oncolytic Virus technology. CAVATAK™ is the trade name for Viralytics' proprietary formulation of the Coxsackievirus Type A21 (CVA21). CVA21 is a virus that occurs naturally in the community. CVA21 attaches to the outside of a cell, using a specific 'receptor' on the cell's surface (like a key fitting a lock). CVA21 uses two receptors to infect cells, intercellular adhesion molecule-1 (ICAM-1) and/or decay accelerating factor (DAF). Both of these receptor proteins have been demonstrated to be highly expressed on multiple cancer types, including: melanoma, prostate cancer, breast cancer, multiple myeloma and others.

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### **Safe harbour statement**

Certain statements made in this document and material referred to in this document that use the words 'estimate', 'project', 'intend', 'expect', 'believe' and similar expressions are intended to identify forward looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 (U.S.). These forward looking statements involve known and unknown risks and uncertainties which could cause the actual results, performance or achievements of the company to be materially different from those which may be expressed or implied by these statements. These statements are based on our management's current expectations and are subject to a number of uncertainties that could change the results described in the forward-looking statements. Investors should be aware that there are no assurances that results will not differ from those projected.



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