

14 October 2011

The Manager
Company Announcements Office
ASX Limited
20 Bridge Street
Sydney NSW 2000



**CathRx Ltd ABN 23 089 310 421 (Company)
Disclosure notice under section 708AA(2)(f) of the Corporations Act 2001
(Corporations Act)**

The Company is undertaking a fully underwritten non renounceable pro-rata entitlement offer of up to approximately 20,468,560 new fully paid ordinary shares (**New Shares**) at an issue price of \$0.10 per New Share to raise up to approximately \$2 million (**Entitlement Offer**).

The Entitlement Offer is being made to shareholders as at 7:00 pm on 24 October 2011 (**Record Date**) with a registered address in Australia or New Zealand and professional and sophisticated investors outside of Australia and New Zealand who do not require a disclosure document in their jurisdiction (**Eligible Shareholders**).

This notice is given under section 708AA(2)(f) of the Corporations Act as modified by Australian Securities and Investments Commission class order CO 08/35.

1. The Company will offer the New Shares for issue without disclosure to investors under Part 6D.2 of the Corporations Act.
2. As at the date of this notice, the Company has complied with:
 - the provisions of Chapter 2M of the Corporations Act as they apply to the Company; and
 - section 674 of the Corporations Act;
3. As at the date of this notice, there is no excluded information as defined in section 708AA(8) and 708AA(9) of the Corporations Act that is required to be disclosed by the Company; and
4. The potential effect of the issue of New Shares on the control of the Company and the consequences of that effect will be as follows:

Control

5. At the date of this notice the Company has 143,279,920 Shares and 5,583,367 options over ordinary shares, on issue.
6. The Company will issue approximately 20,468,560 New Shares pursuant to the Entitlement Offer. The precise number of New Shares to be issued will be subject to

adjustment depending on the rounding of entitlements and the number of options exercised after the Record Date. Following the Entitlement Offer, there will be approximately 163,748,480 ordinary shares on issue.

7. The entitlements being offered under the Entitlement Offer are non renounceable. If all Eligible Shareholders take up their entitlements, the issue will not have a significant effect on the control of the Company.
8. If Eligible Shareholders do not take up all or part of their entitlements under the Entitlement Offer, their proportional interests will be diluted. Those shareholders who are not Eligible Shareholders are not entitled to participate in the Entitlement Offer and their proportional interests in the Company will likewise be diluted.
9. The Entitlement Offer is fully underwritten by Cybotel Industries Sdn Bhd (**Underwriter**). If all Eligible Shareholders take up their entitlement under the Entitlement Offer, then the Underwriter (in its capacity as Underwriter) will not be issued with any New Shares. In the event that there is a shortfall, then the Underwriter will subscribe for the shortfall and their shareholding in the Company will increase to the extent of that shortfall. There is the potential that the Underwriter may acquire a substantial shareholding in CathRx depending on the size of any shortfall.

Yours sincerely

A handwritten signature in black ink that reads "C Billingsley".

**Mr Cameron Billingsley
Company Secretary**

