

Patrys Limited

ACN 123 055 363

Notice of 2011 Annual General Meeting

To be held at Arnold Bloch Leibler,
Level 24 Chifley Tower, 2 Chifley Square,
Sydney, New South Wales
on Wednesday, 30 November 2011
at 11 am (Sydney time)

Patrys Limited
ACN 123 055 363

Notice of Annual General Meeting

Notice is given that the 2011 Annual General Meeting of the members of Patrys Limited (**Company**) will be held at Arnold Bloch Leibler, Level 24 Chifley Tower, 2 Chifley Square, Sydney, New South Wales on Wednesday, **30 November 2011** at 11 am (Sydney time) for the purpose of considering and, if thought appropriate, passing the following resolutions.

General Business

1. Receipt and Consideration of Financial Statements and Reports

To receive and consider the Financial Statements of the Company and its controlled entities for the year ended 30 June 2011, together with the Directors' Report (other than Remuneration Report) and the Independent Audit Report as set out in the Annual Report 2011.

2. Resolution 1 – Adoption of Remuneration Report (Non Binding Resolution)

To consider, and if thought fit, to pass the following resolution as an ordinary resolution*:

"To adopt the Remuneration Report for the year ended 30 June 2011 as set out in the Annual Report 2011".

**Please note that Section 250R(3) of the Corporations Act 2001 (Cth) provides that the vote on this resolution is advisory only and does not bind the Directors or the Company.*

3. Resolution 2 – Re-election of Mr John Read, Non Executive Chairman

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

"That pursuant to clause 15.3(a) of the Company's Constitution, the members of the Company approve the re-appointment of Mr John Read as a Director of the Company who, pursuant to clause 15.3(b) is retiring by rotation and being eligible, offers himself for re-election."

4. Resolution 3 – Election of Dr Marie Roskrow as Managing Director

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

"That pursuant to clause 15.1(c) of the Company's Constitution, the members of the Company approve the election of Dr Marie Roskrow as a Director of the Company."

Special Business

5. Resolution 4 – Previous Issue of Notes

To consider and, if thought fit, to pass, the following resolution as an ordinary resolution:

"That, for the purposes of ASX Listing Rule 7.4, approval be given to the prior issue of 50 Notes of \$10,000 each for the total value of \$500,000 convertible into ordinary shares in the capital of the Company pursuant to, and in accordance with, the terms of the AOF Facility, details of which are set out in the Explanatory Notes which accompany this notice."

Voting Entitlements

For the purpose of determining a person's entitlement to vote at the Meeting, a person will be recognised as a member and the holder of Shares if that person is registered as a holder of Shares at 7pm (Melbourne time) on Monday, 28th November 2011.

Where two proxies are appointed, each proxy may be appointed to represent a specific proportion of the member's voting rights. If the appointment does not specify the proportion or number of votes, each proxy may exercise half of the votes (in which case any fraction of votes will be disregarded).

The proxy form (and the power of attorney or other authority, if any, under which a proxy form is signed) must be completed and returned to the Company no later than 11 am (Melbourne time) on Monday 28th November 2011 by:

- (a) posting it in the reply paid envelope to Computershare Investor Services Pty Limited (GPO Box 242, Melbourne, VIC 3001);
- (b) faxing it to Computershare Investor Services Pty Limited facsimile (within Australia) 1800 783 447, (outside Australia) +613 9473 2555; **or**
- (c) for Intermediary Online subscribers only (custodians) www.intermediaryonline.com

Any proxy form received after that time will not be valid for the scheduled meeting.

The proxy form must be signed by the member or his/her attorney duly authorised in writing or, if the member is a corporation, in a manner permitted by the Corporations Act. A proxy given by a foreign corporation must be executed in accordance with the laws of that corporation's place of incorporation. The proxy may, but need not, be a member of the Company. A proxy form is included with this Notice of Meeting.

Statement Regarding Proxies

As disclosed on the proxy form it is the intention of the Chairman of the Meeting to vote all available proxies in favour of all resolutions. Pursuant to the *Corporations Act 2001* (Cth) and the ASX Listing Rules the proxy form is required to contain certain disclosures regarding the voting intentions of the Chairman regarding undirected proxies. **Shareholders are advised to read the proxy form carefully.**

Corporate Representatives

Any corporation which is a member of the Company may authorise (by certificate under common seal or other form of execution authorised by the laws of that corporation's place of incorporation, or in any other manner satisfactory to the Chairman of the Meeting) a natural person to act as its representative at the Meeting.

By order of the Board:



.....
Roger McPherson

Company Secretary

27 October 2011

Patrys Limited

ACN 123 055 363

Explanatory Notes

These explanatory notes have been prepared to provide members with information to assist their assessment of the merits of the resolutions contained in the accompanying notice of the Patrys 2011 Annual General Meeting (**AGM**) to be held at Arnold Bloch Leibler, Level 24, Chifley Tower, 2 Chifley Square, Sydney, New South Wales on Wednesday, **30 November 2011** at 11 am (Melbourne time).

1. Receipt and Consideration of Financial Statements and Reports

Section 317 of the *Corporations Act 2001* (Cth) (**Corporations Act**) requires the Financial Report, the Directors' Report (other than the Remuneration Report) and the Auditor's Report for the year ended 30 June 2011 to be laid before the Patrys 2011 AGM. There is no requirement either in the Corporations Act or in the Company's Constitution for shareholders to approve these reports (other than the Remuneration Report which forms part of the Directors' Report). Shareholders will have a reasonable opportunity at the meeting to ask questions and comment on these reports and on the Company's business and operations.

Shareholders should note that the Financial Statements and Reports will be received in the form presented. It is not the purpose of the meeting that the Financial Statements and Reports be accepted, rejected or modified in any way and accordingly there will be no formal resolution put to the meeting.

2. Resolution 1 - Adoption of Remuneration Report (Non-binding Resolution)

The Remuneration Report, which explains the Board's policies in relation to the nature and level of remuneration paid to Directors and senior management ("Key Management Personnel" or "KMP") of the Company and which sets out remuneration details for each KMP, forms part of the Directors' Report on pages 19 to 31 (inclusive) of the Annual Report for the year ended 30 June 2011 which is available on the Company's website at www.patrys.com. If requested a printed copy of the Annual Report has been sent to shareholders with this Notice and Explanatory Notes.

The Remuneration Report:

- explains the Board's policies in respect of the nature and level of remuneration paid to KMP of the Company;
- makes clear that remuneration is linked to performance of key executives and the Company overall;
- sets out the remuneration details for each KMP; and
- makes clear that the basis for remunerating Non Executive Directors is distinct from the basis for remunerating executives and Executive Directors.

As required under section 250R(2) of the Corporations Act, a resolution will be put to Shareholders to adopt the Remuneration Report. Shareholders should note that the vote on this resolution is advisory only and is not binding on the Board or the Company. Shareholders will be given the opportunity to ask questions about or make comments on the Remuneration Report.

Under new reforms to the Corporations Act which apply to this year's AGM, if 25% or more of the votes cast on this Resolution are against adoption of the Remuneration Report, the Company will be required to consider, and report to Shareholders on, what action (if any) has been taken to address Shareholders' concerns at next year's annual general meeting. Depending on the outcome of next year's voting on the Company's Remuneration Report, Shareholders may be required to consider a resolution to call another general meeting in accordance with the Corporations Act at which the Directors who held office at the date of the Directors' Report (excluding the Managing Director) will be required to seek re-election.

The Directors unanimously recommend Shareholders vote in favour of adopting the Remuneration Report, the subject of Resolution 1. As stated in the Notice of AGM, each of the KMP's whose remuneration is included in the Remuneration Report and closely related parties of those KMP's are not eligible to vote on this resolution, excepted as stated in the Notice of AGM.

In accordance with the Corporations Act, a member of the Company's Key Management Personnel (KMP) and closely related parties of a KMP, whose remuneration is included in the Remuneration Report, will not be eligible to vote on Resolution 1, except if the person:

- (a) votes as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; **and**
- (b) the vote is not cast on behalf of a person who is KMP or a closely related party of a KMP.

The Chairman in his capacity as proxy holder intends to vote all available proxies in favour of approving this Resolution 1.

3. Resolution 2 – Re-election of Mr John Read as Director

Clause 15.3(a)(i) of the Constitution of the Company provides that no Director except the Managing Director may hold office for a period in excess of 3 years, or beyond the third AGM following the Director's election, whichever is the longer, without submitting himself or herself for re-election. Clause 15.3(a)(ii) provides that at each AGM one-third of the previously elected Directors, and if their number is not a multiple of three, then the number nearest to but not exceeding one-third, must retire from office and are eligible for re-election.

Clause 15.3(b) provides that the Directors to retire in every year under clause 15.3(a) are the Directors longest in office since last being elected.

Mr Stork was appointed to the Board in February 2007 and Mr Read and Dr Robertson were appointed to the Board in May 2007. Mr Read (along with the two other Non Executive directors) was re-elected by the members as a director of the Company at the Patrys 2007 AGM held on 20 November 2007. Mr Read was again re-elected by the members as a director of the Company at the Patrys 2008 AGM held on 28 November 2008.

In accordance with Clause 15.3 of the Constitution of the Company, one of the three Non Executive Directors (Messrs Stork and Read and Dr Robertson) must retire at this AGM. John Read has agreed to retire, is eligible for re-election and has submitted himself for re-election at the Patrys 2011 AGM.

A summary of Mr Read's experience, qualifications and background is provided on page 15 of the Company's 2011 Annual Report, a copy of which is available on the ASX website (www.asx.com.au) or at www.patrys.com/annualreport/2011.pdf.

The Directors (in the absence of Mr John Read) unanimously recommend that shareholders vote in favour of the re-election of Mr John Read.

The Chairman in his capacity as proxy holder intends to vote undirected proxies in favour of approving this Resolution 2.

4. Resolution 3 – Election of Dr Marie Roskrow as Managing Director

Dr Marie Roskrow was appointed by the Board as Managing Director of the Company on 19 October 2011 in accordance with Clause 15.1(c) of the Constitution of the Company. This Clause provides that a Director appointed by the Board holds office until the end of the next general meeting and is eligible for election at that meeting.

Dr. Roskrow joined the Company in the role of Chief Medical Officer and President in August 2010 and was appointed as Chief Executive Officer effective July 2011. Since joining Patrys she has been directing the Company's clinical development and working closely with the Board and management team on corporate strategy and global business development.

Dr. Roskrow has an extensive network of relationships with key public and private biotechnology and pharmaceutical companies and leading clinical centres in the USA, Europe and Asia. Patrys benefits from these relationships and her significant healthcare investment banking experience.

Dr. Roskrow earned with Honours a medical degree (Medicine and Surgery) and a PhD (Medicine) from the University of London. She has held many high level clinical and research positions, most recently at the Institute for Molecular Immunology, GSF, Munich, Germany. She has extensive experience related to the early and later-stage clinical development of promising new anti-cancer products and has published more than 30 original papers in quality peer-reviewed journals.

Dr. Roskrow was also a Senior Director of Investment Banking in the Healthcare Group at Lazard Ltd (USA and Australia) where she participated in mergers & acquisitions, company financings, product out-licensing deals, R&D collaborations and transactions.

She has served as an independent board member for two private biotechnology companies.

The Directors (in the absence of Dr Marie Roskrow) unanimously recommend that shareholders vote in favour of the election of Dr Marie Roskrow.

The Chairman in his capacity as proxy holder intends to vote undirected proxies in favour of approving this Resolution 3.

Special Business

5. Resolution 4 – Previous Issue of Notes

This resolution seeks Shareholder approval for the prior issue of Notes to Advance Opportunities Fund (**Advance**) (under the Advance Opportunities Fund Facility (**AOF Facility**)) and the subsequent issue of shares on the conversion of those Notes pursuant to, and in accordance with, the terms of the AOF Facility.

The purpose of the AOF Facility was to provide the Company with funds for the advancement of its lead products and support existing and potential partnering arrangements.

5.1 Details of the AOF Facility and Issue of Notes

On 3 August 2010 the Company announced that it had secured funding of up to \$15 million by the issue of 2% equity linked redeemable structured convertible notes (**Notes**) to Advance.

The AOF Facility had a term of up to 3 years and was divided into three tranches of Notes of an amount of \$5 million each. Advance had agreed to provide funding to the Company through its subscription of Notes. Each tranche of Notes comprises ten equal sub-tranches of \$500,000 each.

Under the terms of the AOF Facility, Advance could elect to convert Notes into ordinary shares in the capital of the Company using one of two pricing formulas, subject to the Company's ability in certain circumstances to redeem any Notes:

- 35% premium to share price at beginning of each \$5 million tranche: Notes to be converted at a 35% premium to the 30 day volume weighted average price of the Company's ordinary shares at the beginning of each respective \$5 million tranche.
- 15% discount to future price: Notes to be converted into equity at a 15% discount to the average of the volume weighted average price of the Company's ordinary shares for any 5 consecutive days in the 30 days prior to the actual future conversion.

The Company terminated the AOF Facility on 11 March 2011.

At the 2010 annual general meeting held on 29 October 2010 ("**2010 AGM**"), members approved the issue of Notes to Advance under the AOF Facility during the following 3 months. As outlined in the explanatory notes to Resolution 4 at the 2010 AGM, the Company also issued Advance a total of 3,000,000 shares on 3 August 2010 as collateral for the AOF Facility ("**Collateral Shares**").

After the expiry of the 3 months from the 2010 AGM but prior to the termination of the AOF Facility, the Company issued a further sub-tranche of Notes in the amount of \$500,000 (**Third Sub-Tranche Notes**) to Advance. The number of Third Sub-Tranche Notes, when aggregated with the number of securities issued by the Company (without shareholder approval) within the preceding 12 months, did not exceed 15% ("**15% Limit**"). As a result, shareholder approval under Listing Rule 7.1 for the issue of the Third Sub-Tranche Notes was not required.

The funds raised from the issue of the Third Sub-Tranche Notes were applied toward working capital of the Company.

These Notes converted into a total of 6,459,948 ordinary shares fully paid at \$0.0774 per share ("**Advance Shares**"). The conversion was satisfied by the issue of new shares and by permitting Advance to retain the Collateral Shares, which would otherwise have been cancelled on the termination of the AOF Facility. These Notes were converted on 11 March 2011 together with the balance of the Second Sub-Tranche Notes which were issued in accordance with the approval of shareholders at the 2010 AGM.

Summary of shares issued on 11 March 2011:

Shares issued on conversion of balance of Second Sub-Tranche Notes	2,684,208
Shares issued on conversion of Third Sub-Tranche Notes	6,459,948
Total shares required from conversion of Notes	9,144,156
Less conversion satisfied with Collateral Shares issued on 30 August 2010	3,000,000
Total shares issued as per Appendix 3B	6,144,156

Under the terms of the AOF Facility, no cash consideration was required to be paid by Advance on conversion of the Third Sub-Tranche Notes. The Advance Shares rank, in all respects, equally with all other ordinary shares on issue in the Company. Note that Advance has sold all shares held by it on market and no longer holds any shares in the Company.

This resolution seeks Shareholder approval to the previous issue of the Third Sub-Tranche Notes (including the underlying Advance Shares) for the purposes of Listing Rule 7.4.

5.2 ASX Listing Rules

ASX Listing Rule 7.4 provides that an issue of equity securities without approval of shareholders under Listing Rule 7.1 is treated as having been made with approval for the purposes of Listing Rule 7.1 if:

- a) The issue of securities did not breach Listing Rule 7.1; and
- b) Holders of ordinary securities subsequently approve that issue.

ASX Listing Rule 7.1 provides that without the approval of shareholders, the Company must not issue or agree to issue more equity securities if such issue would exceed the 15% Limit referred to in paragraph 5.1 of these Explanatory Notes.

The effect of Resolution 4 is to refresh the Company's ability to issue further securities within the 15% Limit without seeking prior Shareholder approval.

5.3 Voting Exclusion Statement

The Company will disregard any votes cast in respect of **Resolution 4** by Advance or its associates.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

5.4 Recommendation for Resolution 4

The Board unanimously recommends that Shareholders vote in favour of Resolution 4.

The Chairman in his capacity as proxy holder intends to vote undirected proxies in favour of this Resolution 4.

Further information

The Directors recommend members read these explanatory notes in full and, if desired, seek advice from their own independent financial or legal adviser as to the effect of the proposed resolutions before making any decision in relation to the proposed resolutions.

000001 000 PAB
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Lodge your vote:



By Mail:

Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:

(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

Proxy Form

For your vote to be effective it must be received by 11:00am (Sydney time) Monday 28 November 2011

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the information tab, "Downloadable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

Turn over to complete the form →



View your securityholder information, 24 hours a day, 7 days a week:

www.investorcentre.com

- Review your securityholding
- Update your securityholding

Your secure access information is:

SRN/HIN: I999999999



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

IND

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Patrys Limited hereby appoint

the Chairman of the Meeting OR

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of Patrys Limited to be held at Arnold Bloch Leibler, Level 24 Chifley Tower, 2 Chifley Square, Sydney on Wednesday, 30 November 2011 at 11:00am (Sydney time) and at any adjournment of that meeting.

Important for Resolution 1 - If the Chairman of the Meeting is your proxy or is appointed as your proxy by default

By marking this box, you are directing the Chairman of the Meeting to vote in accordance with the Chairman's voting intentions on Resolution 1 as set out below and in the Notice of Meeting. If you do not mark this box, and you have not directed your proxy how to vote on Resolution 1, the Chairman of the Meeting will not cast your votes on Resolution 1 and your votes will not be counted in computing the required majority if a poll is called on this item. If you appoint the Chairman of the Meeting as your proxy you can direct the Chairman how to vote by either marking the boxes in Step 2 below (for example if you wish to vote for, against or abstain from voting) or by marking this box (in which case the Chairman of the Meeting will vote in favour of Resolution 1).

The Chairman of the Meeting intends to vote all available proxies in favour of Resolution 1 of business.

I/We direct the Chairman of the Meeting to vote in accordance with the Chairman's voting intentions on Resolution 1 (except where I/we have indicated a different voting intention below) and acknowledge that the Chairman of the Meeting may exercise my proxy even though Resolution 1 is connected directly or indirectly with the remuneration of a member of key management personnel.

STEP 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

ORDINARY BUSINESS

	For	Against	Abstain
Resolution 1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Re-election of Mr John Read as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Election of Dr Marie Roskrow as Managing Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

SPECIAL BUSINESS

Resolution 4 Previous Issue of Notes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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The Chairman of the Meeting intends to vote all available proxies in favour of each item of business.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

_____ / _____ / _____

Date

P A B

1 3 8 2 6 5 A

Computershare +