

15 October 2012

MEDIA RELEASE

ALCHEMIA'S DEMERGER OF AUDEO ONCOLOGY, INC. APPROVED BY SHAREHOLDERS

BRISBANE, Australia: Alchemia Limited (ASX: ACL) (**Alchemia**) announces that shareholders, at today's reconvened Court ordered Scheme Meeting and the separate General Meeting held following the Scheme Meeting, have approved all the resolutions put to those meetings regarding the demerger of Audeo Oncology, Inc. from Alchemia.

The results of the Scheme Meeting and General Meeting are attached. In summary:

Scheme Meeting	
Number of votes cast by members in favour of the resolution (in person or by proxy, attorney or corporate representative)	170,498,478
Votes in favour of the resolution as a percentage of the total number of votes cast on the resolution (in person or by proxy, attorney or corporate representative)	99.01%
Number of shareholders voting in favour of the resolution as a percentage of the total number of shareholders voting on the resolution (in person or by proxy, attorney or corporate representative)	95.91%
General Meeting	
<i>Resolution 1 – Capital Reduction</i>	
Number of votes cast by members in favour of the resolution (in person or by proxy, attorney or corporate representative)	173,265,915
Votes in favour of the resolution as a percentage of the total number of votes cast on the resolution (in person or by proxy, attorney or corporate representative)	99.3%
<i>Resolution 2 – Share Issue Mandate</i>	
Number of votes cast by members in favour of the resolution (in person or by proxy, attorney or corporate representative)	172,692,732
Votes in favour of the resolution as a percentage of the total number of votes cast on the resolution (in person or by proxy, attorney or corporate representative)	99.15%

Alchemia will now seek orders from the Federal Court of Australia for approval of the scheme of arrangement (**Scheme**) to effect the demerger at a hearing scheduled for 17 October 2012.

If the Federal Court of Australia approves the Scheme, Alchemia proposes to lodge the orders of the Court with the Australian Securities and Investments Commission on 18 October 2012 and the

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Scheme will become effective on that date. However, the Scheme will not be implemented unless the Audeo Oncology, Inc. fundraising and initial public offering are completed by 31 December 2012. Further details in relation to the Audeo Oncology, Inc. fundraising and initial public offering (**Fundraising and IPO**) and a timetable of key dates and times regarding completion of the Fundraising and IPO are set out on page 9 and 6 respectively of the Scheme Booklet.

Alchemia will update shareholders in due course regarding the Fundraising and IPO, including with any update regarding the key dates and times set out on page 6 of the Scheme Booklet.

Alchemia has established a shareholder information line to answer questions shareholders may have in relation to the demerger. The Alchemia shareholder information line is open from 9.00am to 5.00pm (Sydney Time) on 1800 336 109 (in Australia) or +61 2 8280 7691 (outside Australia).

About Alchemia

Alchemia is a drug discovery and development company founded on its chemistry expertise. The company's first marketed drug is fondaparinux (a generic version of GlaxoSmithKline's Arixtra®, a synthetic anticoagulant mainly used for the prevention of deep vein thrombosis) launched in 2011 by Dr Reddy's Laboratories in the US. Alchemia's pipeline of assets is built on two platform technologies: HyACT® (targeted cancer delivery) and VAST® (drug discovery). The primary objective of the HyACT® technology is to develop a new generation of anti-cancer drugs which demonstrate better efficacy than existing drugs.

For further information:

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Ends

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Attachment

A: Scheme Meeting Proxy Summary

In accordance with Listing Rule 3.13.2 and section 251AA(2) of the *Corporations Act 2001* (Cth), the following information is provided in relation to the resolution passed by members of Alchemia Limited at its reconvened Scheme Meeting held on Monday 15 October 2012.

Resolution

“That, pursuant to and in accordance with section 411 of the Corporations Act, the Scheme proposed to be entered into between Alchemia and holders of its ordinary shares (which is described in the Scheme Booklet which contains this Notice of Scheme Meeting) is agreed to with or without such modifications or conditions as may be approved by the Federal Court of Australia.”

Total number of proxy votes exercisable by all proxies validly appointed	171,062,344
Total number of proxy votes in respect of which the appointments specified that:	
- the proxy is to vote for the resolution	159,040,198
- the proxy is to vote against the resolution	1,700,776
- the proxy is to abstain on the resolution	50,212
- the proxy may vote at the proxy's discretion	10,321,370
The resolution was carried on a poll the details of which are:	
- in favour of the resolution	170,498,478
- against the resolution	1,700,776
- abstaining on the resolution	50,212

B: General Meeting Proxy Summary

In accordance with Listing Rule 3.13.2 and section 251AA(2) of the *Corporations Act 2001* (Cth), the following information is provided in relation to the resolution passed by members of Alchemia Limited at its reconvened General Meeting held on Monday 15 October 2012.

Resolution 1 – Capital Reduction

“That, subject to and conditional on the Scheme becoming Effective and the satisfaction of the Condition Subsequent, and for the purposes of section 256C(1) of the Corporations Act, Alchemia’s share capital be reduced by the Market Value less the Demerger Dividend (if any) on or prior to the Implementation Date with the reduction being effected and satisfied by applying such amount equally against each Alchemia Share on issue on the Scheme Record Date and in accordance with the Scheme.”

Total number of proxy votes exercisable by all proxies validly appointed	173,387,582
Total number of proxy votes in respect of which the appointments specified that:	
- the proxy is to vote for the resolution	161,080,691
- the proxy is to vote against the resolution	1,220,377
- the proxy is to abstain on the resolution	80,204
- the proxy may vote at the proxy’s discretion	11,086,514
The resolution was carried as an ordinary resolution on a poll the details of which are:	
- in favour of the resolution	173,265,915
- against the resolution	1,220,377
- abstaining on the resolution	80,204

Resolution 2 – Share Issue Mandate

“That, subject to and conditional on Implementation of the Scheme, for the purposes of Listing Rule 7.1A and for all other purposes, Alchemia Shareholders approve the issue of Audeo Oncology Shares of up to 10% of the issued capital of Audeo Oncology (at the time of the issue) and CDIs over those shares, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Scheme Booklet.”

Total number of proxy votes exercisable by all proxies validly appointed	173,076,852
Total number of proxy votes in respect of which the appointments specified that:	
- the proxy is to vote for the resolution	160,620,679
- the proxy is to vote against the resolution	1,482,830
- the proxy is to abstain on the resolution	390,934
- the proxy may vote at the proxy’s discretion	10,973,343
The resolution was carried as a special resolution on a poll the details of which are:	
- in favour of the resolution	172,692,732
- against the resolution	1,482,830
- abstaining on the resolution	390,934