

ASX & Media Release

Patrys Extends Cash Runway to End 2013

- **Sufficient funding to fully execute PAT-SM6 multiple myeloma trial**
- **Patrys now fully funded to end 2013**
- **New sophisticated and institutional investors added to register**

Melbourne, Australia; 22 June, 2012: Patrys Limited (ASX: PAB; Company), a clinical stage biopharmaceutical company, is pleased to announce the completion of a share placement of AU\$2 million to institutional and sophisticated investors managed by Forrest Capital Pty Ltd.

The institutional placement is part of a capital initiative to raise up to \$2.9 million to fully fund the Company's operations including the continuing development of its human antibody technology. This initiative will comprise the following:

1. The private placement of 100 million new shares, at an issue price of AU\$0.02 per share, will rank equally with existing shares, and will be conducted in two tranches. A total of 50 million new shares are to be issued under the 15% placement capacity of Patrys, with settlement expected to occur on or about 27 June 2012. The balance of new shares to be issued will be subject to shareholder approval at an Extraordinary General Meeting (EGM) to be convened on or about 15 August 2012 (in accordance with ASX Listing Rule 7.1). The Company is pleased to advise that the offer was supported by new and existing institutional and sophisticated investors. Patrys will pay a capital raising fee of 6% on the funds raised.
2. In order to allow existing Eligible Shareholders (defined below) to participate in the capital raising the Company will launch a share purchase plan (SPP). Under the SPP, Eligible Shareholders will be able to purchase up to \$15,000 worth of new fully paid ordinary shares in the Company up to a total raising of \$800,000. This offer is irrespective of the number of shares an Eligible Shareholder currently holds. The Company will be issuing the shares under ASIC Regulatory Guide 125 and relying on Class Order 09/425 for relief from issuing a disclosure document.
3. As non-resident directors, Mr Michael Stork and Ms Suzy Jones are not eligible to participate in the SPP they will, subject to shareholder approval at the EGM, participate in the capital raising at the same price for a total of 5 million shares raising a further \$100,000.

The Company will also issue 50 million advisor options for a consideration of \$5,000. The options have an exercise price of 5 cents per share and are exercisable up to 30 June 2014. The issue of these options offers the potential for a further cash injection of \$2.5 million assuming the Company meets its milestones and the share price exceeds the option exercise price.

Proceeds from the placement together with the SPP and existing finances will be used to:

- Execute the planned PAT-SM6 Phase I/IIa open label multi-dose clinical trial in multiple myeloma
- Further prepare PAT-LM1 for clinical trial
- Support out-licensing activities in respect of PAT-SC1
- Expand the pipeline through internal R&D

Patrys CEO, Dr. Marie Roskrow said: “Importantly, these funds will give the Company a cash run way to the end of 2013 and allow us to fully execute the planned multiple myeloma trial. The Board and Management believe that a positive outcome from this trial will be a significant value creating event for the Company. Having secured these funds the Company will not have to worry about raising further funds in the short term. It is also reassuring to know that in addition to these funds, if we meet the endpoints for the multiple myeloma trial we will potentially have access to more funds through the exercise of the options”.

Patrys Chairman, Mr. John Read added: “The Board has launched the SPP to allow existing Eligible Shareholders to participate in the fund raising. The release of the multiple myeloma trial data and any resultant increase in the share price is conducive to the exercise of the options. Clearly today’s announcement removes the perceived need for funding. The Board believes that this is a desirable course of action as it provides more certainty to all shareholders.”

In accordance with ASX Listing Rule 7.2, the issue price for shares offered under the SPP will be the lower of 80% of the average market price that Patrys’ ordinary shares traded for on the ASX over the last 5 days on which Patrys shares traded, either before 20 June 2012 or before the day the issue is made subject to a minimum price of \$0.02 per share (the issue price of the placement).

The SPP will provide the opportunity for Eligible Shareholders to participate in the financing without incurring brokerage or transaction costs.

Eligible Shareholders are those shareholders whose registered addresses are within Australia or New Zealand as at 7.00 p.m. (AEST) on 21 June 2011 (Record Date). Shareholders with a registered address outside Australia or New Zealand at the Record Date (Excluded Shareholders) will not be eligible to participate in the SPP.

A Notice of Meeting for the EGM will be mailed to all shareholders on or about 16 July 2012. A written offer document for the SPP will be mailed to all Eligible Shareholders together with a personalised Entitlement and Acceptance Form, on or about 16 July 2012.

-Ends-

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About Patrys Limited:

Based in Melbourne, Australia, Patrys (ASX: PAB) is focused on the development of natural human antibody therapies for cancer. More information can be found at www.patrys.com.

About PAT-SM6:

The natural human antibody PAT-SM6 has been shown to have potent anti-cancer properties in a large number of laboratory and animal studies. More specifically, Patrys has now screened PAT-SM6 against more than 200 tumours from individual patients with various cancers, and the product binds to over 90% of the tumours screened regardless of cancer type or patient age, gender or disease stage. With respect to melanoma, PAT-SM6 has shown particularly strong promise. Patrys has filed patent applications to cover the PAT-SM6 antibody molecule, disease target, and the mechanism of action. In October 2010, Patrys initiated a human clinical trial to evaluate PAT-SM6 as a therapy for melanoma. This trial concluded in February 2012. The clinical trial took place at the Royal Adelaide Hospital Cancer Centre and associated Pain and Anaesthesia Research Clinic and the Princess Alexandra Hospital in Queensland.

About Multiple Myeloma:

Of the approximately 1,200 Australians who are diagnosed with multiple myeloma each year, almost all are older than 40 years. Multiple myeloma is most common in people aged 60 years and older, and men are affected more often than women. In the United States, an estimated 20,520 adults will be diagnosed annually with multiple myeloma. It is estimated that 10,610 deaths from this disease will occur this year. The five-year survival rate (percentage of people who survive at least five years after the cancer is detected, excluding those who die from other diseases) of people with multiple myeloma is about 39%. However, several factors affect an individual's survival, such as the person's age and overall health.

About PAT-SC1:

PAT-SC1 is a natural human IgM antibody that acts by binding to a special form of a protein, called CD55 that appears on the surface of gastric cancer cells but not on the surface of healthy cells, thereby permitting PAT-SC1 to kill the cancer cells while sparing the healthy cells. PAT-SC1 was evaluated in an investigator led human clinical trial, at the University of Würzburg (Germany) Surgical Clinic, under which treated patients were dosed with PAT-SC1 48 hours prior to a surgical procedure that involved the removal of the primary tumour (surgical removal of the tumour is currently the standard treatment). Patrys recently announced ten year follow-up data on 30 of the PAT-SC1 treated patients. Fifty-five per cent of those patients are still alive whilst only 30% of the control group have survived, indicating that the treatment of gastric cancer patients with PAT-SC1 confers a significant survival benefit.

About PAT-LM1:

PAT-LM1 is a natural human antibody that has been shown to have potent anti-cancer properties in a large number of laboratory and animal studies. This lead product binds to a proprietary disease target that is expressed on the surface of cancer cells, but not on the surface of the healthy tissues screened. With over 200 individual patient tumours screened, covering several different cancers, PAT-LM1 binds to nearly 98% of those tumours regardless of cancer type, age, gender or disease stage. Patrys has filed patent applications to cover the PAT-LM1 molecule, its disease target and the target epitope.