



19 July 2012

**Dear Shareholder**

### **Share Purchase Plan**

The Directors of Patrys Limited ("**Company**") are pleased to invite you to participate in the Company's 2012 Share Purchase Plan ("**Plan**").

Under the Plan, Eligible Shareholders who held Patrys Limited shares at 7.00 p.m., Melbourne time on 21 June 2012 ("**Record Date**"), will be able to purchase up to \$15,000 worth of new fully paid ordinary shares in the Company ("**New Shares**").

This offer pursuant to the Plan ("**Offer**") is irrespective of the number of Shares an Eligible Shareholder currently holds. The New Shares are being offered exclusively to Eligible Shareholders of the Company at the price, and on the terms, set out in this letter and in the attached terms and conditions of the Plan ("**Terms & Conditions**").

In accordance with a waiver from listing rules 7.1 and 10.11 obtained from ASX Limited by the Company, the issue price for New Shares offered under the Plan will be \$0.02, being the same as the issue price of the shares recently issued by the Company under the placement to institutional and sophisticated investors.

The Plan allows Patrys shareholders to acquire the New Shares without brokerage or costs which would otherwise apply to a purchase of Shares on the Australian Securities Exchange.

If you currently hold an unmarketable parcel of Shares (being less than \$500 worth of shares) you can use this opportunity to increase your shareholding to a marketable parcel.

Shareholder approval is not required to issue New Shares under this Plan. Therefore, Eligible Shareholders are encouraged to act quickly if they wish to participate in the Plan.

### **Intention of Directors**

Your directors, Mr. Michael Stork and Ms. Suzy Jones will, subject to shareholder approval, participate in the placement announced on 22 June 2012. Each of your other Directors intends to take part in the Offer.

### **Purpose of the Offer**

The Offer is being made to Eligible Shareholders to provide them with the opportunity to acquire New Shares in Patrys which, with existing financing, 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



## Participation

Participation in this Offer is optional. There is no obligation on you to accept the Offer. The Offer is non-renounceable, which means you cannot transfer your right to subscribe for Shares under the Offer to anyone else.

You are an Eligible Shareholder and entitled to participate in the Plan only if you are a registered holder of Shares in the Company as at 7.00 p.m. on 21 June 2012, with a registered address in Australia or New Zealand.

## Closing Date

To participate in the Plan, you must complete and return your acceptance form to the Company's share registry Computershare Investor Services Pty Limited ("**Share Registry**") at the address set out below no later than 5.00 p.m. on the Closing Date of 31 August 2012.

## How much can you invest & how many New Shares will you receive?

As an Eligible Shareholder you are entitled to subscribe for New Shares up to a maximum value of \$15,000 in any consecutive 12-month period ("**Plan Limit**"). You may select only one of the six following plans to subscribe for shares under the Plan:

<b>Plan Designation</b>	<b>Total number of New Shares</b>	<b>Total Subscription Amount (number of New Shares multiplied by \$0.02)</b>
Plan A	50,000	\$1,000.00
Plan B	100,000	\$2,000.00
Plan C	250,000	\$5,000.00
Plan D	400,000	\$8,000.00
Plan E	500,000	\$10,000.00
Plan F	750,000	\$15,000.00

On Friday 13 July 2012, the closing price of the Shares in the Company traded on the Australian Securities Exchange was \$0.02. The market price of Shares in the Company may rise or fall between now and the date the New Shares are issued for acceptances under the Offer. This will not affect the number or price of the New Shares issued to you. However, it does mean that the price paid per share by you under the Plan may be higher or lower than the price of the Shares in the Company traded on the Australian Securities Exchange at the time the Shares under the Plan are issued to you.

Shareholders should also note that the Offer is NOT made under a Prospectus, or other disclosure document, and does not require disclosure under the *Corporations Act 2001*. Accordingly shareholders must rely on their own knowledge of the



Company and the previous disclosures made by the Company to the Australian Securities Exchange.

The Board recommends that you obtain your own independent financial and taxation advice in relation to the Offer and consider the price movements of the Shares in the Company prior to accepting the Offer.

### **How do you apply for New Shares under this Offer?**

To subscribe for New Shares under this Offer you must: -

- Carefully read the attached Terms and Conditions of the Plan.
- Complete the attached Acceptance Form ("**Application Form**") specifying the dollar value of New Shares for which you wish to apply.
- Make the payment for the dollar value of New Shares for which you are applying.

Payments will only be accepted in Australian currency and as follows:

- BPAY® (Registered to Bpay Pty Ltd ABN 69 079 137 518). Those that use BPAY **will not need to** return the Entitlement and Acceptance Form
- Bank cheques, personal cheques, or bank drafts drawn on and redeemable at any Australian bank; or  
Bank cheques, personal cheques or bank drafts should be marked "Not Negotiable" and made payable to "Patrys SPP Offer".
- Return the Application Form together with your cheque, bank draft or money order to:-

**Patrys Limited  
C/- Computershare Investor Services Pty Limited  
GPO Box 505  
Melbourne, Victoria 3001  
Australia**

**by 5.00 p.m. Melbourne time on 31 August 2012.**

If you have any questions in relation to the Plan, please contact your independent stockbroker or financial adviser or the Shareholder Information Line on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia).



**Key dates**

**Record Date to determine shareholder entitlement:**

21 June 2012, 7.00 p.m. (Melbourne time).

**Date Offer despatched to shareholders:**

19 July 2012

**Closing date:**

31 August 2012, 5.00 p.m. (Melbourne time), although the Company reserves the right to extend this date.

**Anticipated allotment date:**

10 September 2012

**Despatch date:**

11 September 2012. The date on which transaction confirmations are sent to shareholders.

I look forward to your participation in this offer to shareholders.

Yours faithfully,

A handwritten signature in black ink, appearing to be "John D Read", written over a horizontal line.

**John D Read  
Chairman**

**PATRY'S LIMITED**  
**ACN 123 055 363**

**SHARE PURCHASE PLAN (2012) ("PLAN")**

**TERMS AND CONDITIONS**

**1. PARTICIPATION**

Participation in the Plan is open to all persons ("**Eligible Shareholders**") who, as at the record date of 21 June 2012 ("**Record Date**"), are registered as holders of ordinary shares in Patrys Limited ("**Shares**"), and who have an address (as recorded in the Company's register of Shareholders) in Australia or New Zealand.

The offer pursuant to the Plan ("**Offer**") opens on 19 July 2012. The closing date for acceptances is 5.00 p.m., Melbourne time 31 August 2012 ("**Closing Date**"), unless extended by the Directors.

Participation in the Plan is optional and is subject to these terms and conditions.

**2. OFFERS**

Offers under the Plan are non-renounceable and New Shares will be issued only to the Eligible Shareholders who accept offers made to them.

Each offer is made on the same terms and conditions. All Eligible Shareholders of Patrys Limited receive the same offer, irrespective of the number of Shares which they hold on the Record Date (and irrespective of the number of Application Forms received by them, which may be more than one because of various separate holdings in the Patrys Limited share register).

The maximum value of New Shares for which each Eligible Shareholder may subscribe is \$15,000 in any consecutive 12-month period ("**Plan Limit**"). This Plan Limit applies to each shareholder even if that person holds Shares in more than one capacity and receives more than one offer – for example, as a sole holder and as a first (or subsequent) named holder of a joint holding. If a Share is held by a trustee or nominee on account of another person and the trustee or nominee relationship is expressly noted in the share register, the beneficiary for whom the Shares are held is taken to be the registered holder. The Company reserves the right to reject any Application Form where it believes there has not been compliance with the Plan Limit.

It is proposed that a maximum of 40,000,000 New Shares will be issued under the Plan although the Directors have the absolute discretion to accept applications for a higher number of New Shares. Over subscriptions will be scaled back in any manner that the Company considers fit.

If the Company exercises its right to scale back Applications, the amount of your Application as scaled back may not be equal to a whole number of New Shares. In that event the number of New Shares allotted to you will be rounded up to the nearest whole number of New Shares. The difference in the Subscription Amount will be refunded to you without interest no later than two weeks after the New Shares are issued.

### **3. CUSTODIANS**

**If you hold Company Shares as a custodian or nominee for one or more beneficiaries.**

Pursuant to the definition of “Custodian” in ASIC Class Order 09/425, if you:

- hold an Australian financial services licence that:
  - covers the provision of a “custodial or depository service” (as defined in section 766E of the Corporations Act); or
  - includes a condition requiring the holder to comply with ASIC Class Order 02/294; or
- are exempt under:
  - paragraph 7.6.01(1)(k) of the Corporations Regulations 2001; or
  - under ASIC Class Order 05/1270 to the extent that it relates to ASIC Class Order 03/184, from the requirement to hold an Australian financial services licence for the provision of a custodial or depository service,

then you may apply for a maximum amount of \$15,000 of New Shares for each participating beneficiary, provided that you complete the Application Form and a Custodian Certificate, and submit them together with the payment to the Share Registry before the Closing Date.

Please contact the Share Registry to obtain the form of the Custodian Certificate which you are required to submit.

#### **All other custodians and nominees**

If you hold shares in the Company as a trustee or nominee for another person, but are not a “Custodian” as defined in ASIC Class Order 09/425, you cannot participate for beneficiaries in the manner described above.

You may only apply for up to a maximum amount of \$15,000 of New Shares, regardless of the number of participating beneficiaries

### **4. ISSUE PRICE**

The Company has obtained a waiver from listing rules 7.1 and 10.11 from ASX Limited to enable the issue price of the New Shares offered under the Plan to be \$0.02 (“**Issue Price**”), being the same as the issue price of the shares recently issued by the Company under the placement to institutional and sophisticated investors.

### **5. COSTS OF PARTICIPATION**

No brokerage, commission, stamp duty or other transaction costs will be payable by a shareholder in respect of an issue of Shares under the Plan.

## **6. ISSUE OF NEW SHARES**

The Company will issue New Shares as soon as reasonably practicable after the Closing Date and will promptly apply for those New Shares to be quoted on the Australian Securities Exchange.

Within the period required by the ASX Listing Rules, the Company will send each participant an issuer sponsored holding statement or CHESS confirmation notice in respect of any New Shares issued under the Plan.

New Shares issued under the Plan will rank equally with all other ordinary Shares in Patrys Limited and will therefore carry the same voting rights, dividend rights and other entitlements as those Shares.

## **7. ACCEPTANCE OF OFFERS**

An offer to participate in the Plan may be accepted by an Eligible Shareholder only by completing and returning the enclosed Application Form, together with the appropriate payment for the maximum possible amount to which the acceptance relates, by no later than the Closing Date, 31 August 2012.

Payment may be made by cheque in Australian dollars drawn on an Australian bank and made payable to "Patrys SPP Offer" and crossed "Not Negotiable", or by using the Bpay facility offered by Computershare Investor Services Pty Limited.

An offer will be taken to have been accepted by an Eligible Shareholder only if the cheque which accompanies the shareholder's Application Form is paid in full on first presentation, or a payment in full is received via Bpay.

The Directors of the Company have an absolute discretion to reject as invalid an Application Form if they determine that acceptance of the form would or might prejudice the effective operation of the Plan or would or might be contrary to the laws of any country.

Applications for New Shares under the Plan are irrevocable. By completing and returning the Application Form you:

- (a) certify that you have not applied for New Shares with an aggregate application price in excess of the Plan Limit even though you may have received more than one offer under the Plan or received offers in more than one capacity under this Plan; and
- (b) authorise the Company and its officers to correct any error in, or omission from, your Application Form and to complete the Application Form by the insertion of any missing details (without the Company or its officers being obliged to do so).

If one or more acceptance forms are received from an Eligible Shareholder in relation to New Shares with a value greater than the Plan Limit, the shareholder (subject to any scaling back for any oversubscriptions) will be issued with the maximum number of New Shares permitted pursuant to the Offer and the excess subscription monies will be refunded.

No interest will be paid on any application money returned to you. If the amount to be returned to you is less than \$2.00 it is not practical to return this amount to you and it will be retained by the Company. Shareholders should consult their taxation or investment advisers to clarify the financial and taxation implications for them of subscribing for New Shares under the Plan.

## **8. AMENDMENT OF THE PLAN**

The Directors of the Company may, in their discretion, amend the Plan at any time (including, without limitation, by extending the Closing Date). The Company will notify the ASX of any amendment of the Plan, but failure to do so will not invalidate the amendment. The Company may issue to any person fewer New Shares than subscribed for under the Plan (or none at all) if the Company believes that the issue of those shares would contravene any law or the ASX Listing Rules or the *Corporations Act 2001*.

## **9. ADMINISTRATION AND DISPUTE RESOLUTION**

The Company's principal objective in administering the Plan is to facilitate maximum participation (subject to the maximum equity-raising level indicated previously) consistent with compliance with ASIC Regulatory Guide 125 and ASIC Class Order 09/425 and all applicable laws and efficient administrative practices.

The Company may adopt any administrative procedures it thinks appropriate in relation to the Plan.

The Company may settle, in any manner it thinks fit, any difficulties, anomalies or disputes which may arise under or in connection with the operation of the Plan, whether generally or in relation to any participant or class of participants, offer, acceptance or shares, and the decision of the Company will be conclusive and binding on all participants and other persons to whom the determination relates.

The Company reserves the right (subject to the *Corporations Act 2001*) to waive compliance with any provision of these terms and conditions.

## **10. NOTICES**

Notices and statements to participating shareholders may be given in any manner determined by the Company.