



CathRx Ltd
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14 October 2011

<Shareholder name>
<Shareholder Address>
<Shareholder Address>



Non Renounceable Entitlement Offer – Notice to Ineligible Shareholders

CathRx Ltd ACN 089 310 421 (**Company**) has announced its is undertaking a fully underwritten non renounceable pro-rata entitlement offer of approximately 20,468,560 new fully paid ordinary shares (**New Shares**) at an issue price of \$0.10 per New Share to raise approximately \$2 million (**Entitlement Offer**).

Details of the Entitlement Offer are contained in the Offer Booklet which is available from www.cathrx.com or www.asx.com.au.

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 certain professional and sophisticated investors outside of Australia and New Zealand who do not require a disclosure document in their jurisdiction (**Eligible Shareholders**).

Documents relating to the Entitlement Offer were lodged with the ASX today and are being mailed to Eligible Shareholders.

Shareholders that have a registered address outside Australia or New Zealand as at the Record Date and who are not professional and sophisticated investors (**Ineligible Shareholders**) will not be eligible to participate in the Entitlement Offer. In accordance with ASX Listing Rule 7.7.1 and the Corporations Act 2001, the Company has determined that it would be unreasonable to extend the Entitlement Offer to Ineligible Shareholders. As the Entitlement Offer is non renounceable, you will not receive any payment or value for entitlements with respect to any New Shares that would have been offered to you if you were eligible.

This letter is to inform you about the Entitlement Offer and is not an offer to issue New Shares to you, nor an invitation for you to apply for New Shares. You are not required to do anything in response to this letter.

Should you have any queries please contact the Company's share registry, Boardroom Pty Limited by telephone on 1300 737 760 (within Australia) or +61 2 9290 9600 (outside Australia) or by facsimile on +61 2 9290 9655 or consult your professional adviser.

Yours sincerely

Mr Cameron Billingsley
Company Secretary