

# Alchemia

## Share Purchase Plan Offer

The Offer closes at 5.00 pm (Brisbane time)  
on Monday 12 December 2011

Lead Manager

 **RBS Morgans**

This is an important document and should be read in its entirety.

This document has been prepared by Alchemia Limited. The Offer provides Eligible Shareholders with the opportunity to purchase additional Alchemia shares at a discount and without brokerage and transaction costs.

The Offer does not take into account the individual investment objectives, financial situation or particular needs of each Eligible Shareholder. Accordingly, before making a decision whether or not to accept the Offer, you should consult your financial or other professional adviser.

This document is not a prospectus or other disclosure document under the Corporations Act.

**NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES OR TO US PERSONS**

**Alchemia Limited**  
ABN 43 071 666 334

# Contents

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**3 Key offer information**

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**4 Letter from the Chairman**

---

**6 Frequently asked questions**

---

**7 Terms and conditions**

---

# 1 Key offer information

## Key dates

Event	Date
Record Date	7.00 pm (Brisbane time) on Friday, 4 November 2011
Announcement Date	Monday, 7 November 2011
Documents mailed to Eligible Shareholders and Offer opens	Wednesday, 23 November 2011
Offer closes	5.00 pm (Brisbane time) on Monday, 12 December 2011
Allotment Date	Thursday, 15 December 2011
Dispatch of holding statements/ confirmation advice	Tuesday, 20 December 2011

The timetable is indicative only and Alchemia may, at its discretion, vary any of the above dates by sending a revised timetable to ASX.

Defined terms and abbreviations used in this document are set out in **clause 20** of the Terms and Conditions in **section 4**.

## Important notices

The offer contained in this document is not a recommendation to purchase Alchemia shares. If you are in any doubt about the Offer, you should consult your financial or other professional adviser.

If you apply to participate in the Offer by making a BPAY<sup>®</sup><sup>1</sup> payment or completing and returning the Application Form with a cheque or money order, you are accepting the risk that the market price of Shares may change between the date of the Offer and the Allotment Date. This means it is possible that, up to or after the Allotment Date, you may be able to buy Shares at a lower price than the Offer Price.

Participation in the Offer is not being offered, directly or indirectly, in the United States or to any person that is, or is acting for the account or benefit of, a US Person. This document and any related offering documents must not be mailed or otherwise transmitted or distributed in or into the United States or to any person that is, or is acting for the account or benefit of, a US Person.

Alchemia recommends that you monitor its announcements and the Share price, which can be found on its website at [www.alchemia.com.au](http://www.alchemia.com.au) and on the ASX website at [www.asx.com.au](http://www.asx.com.au) (ASX code: ACL). The Share price can also be found in the financial pages of major Australian metropolitan newspapers.

## Questions

If you have any questions in relation to the Offer or how to complete the Application Form, please call the Alchemia Limited SPP Offer Information Line on 1300 668 378, if calling within Australia, or +61 2 8280 7711 if calling from outside Australia, or consult your financial or other professional adviser.

<sup>1</sup> © Registered to BPAY Pty Limited ABN 69 079 137 518  
New Zealand based shareholders cannot apply using BPAY<sup>®</sup> unless they have an Australian bank account.

# 2 Letter from the Chairman

23 November 2011

Dear Shareholder,

## Alchemia Share Purchase Plan Offer

On behalf of the Board, I am pleased to offer you the opportunity to apply for New Shares in Alchemia under the Offer.

The Offer is being made following the Company's successful Institutional Placement which will, assuming the second tranche of that fundraising is approved by shareholders, have raised approximately A\$15 million.

Alchemia is seeking to raise A\$5 million under the Offer. If Alchemia receives applications in excess of A\$5 million, Alchemia reserves the right to scale back applications. If this occurs, excess funds will be returned to applicants without interest.

The Offer is not underwritten.

### Offer details

Under the Offer you can acquire up to A\$15,000 worth of New Shares without paying any brokerage or other charges.

The Offer Price will be the lesser of:

- \$0.24, being the offer price per Share under the Institutional Placement; and
- a 7.5% discount to the average closing price of Shares on ASX over the five trading days immediately before the Allotment Date, subject to a minimum Offer Price of A\$0.20 per Share.

**The Offer will open on Wednesday, 23 November 2011 and will remain open until 5.00 pm (Brisbane time) on Monday, 12 December 2011.**

Participation in the Offer is optional and is open to Eligible Shareholders who are holders of Shares in Alchemia at 7.00 pm (Brisbane time) on Friday, 4 November 2011 (**Record Date**) and whose registered address is in Australia or New Zealand.

Full details of the Offer and how to participate are contained in the Terms and Conditions in section 4 of this document which I encourage you to read and consider carefully.

## Company Update

The approval of generic fondaparinux in the US and its subsequent launch was a key event for Alchemia as it places Alchemia in a position to receive significant cash payments from its marketing partner, Dr Reddy's Laboratories, from sales of fondaparinux, with first payments expected in the first half of 2012. US sales of fondaparinux commenced shortly after the receipt of US Food and Drug Administration approval in July this year, and market share is growing according to expectations. Dr Reddy's Laboratories is also preparing documentation to enable filing for approval in the EU as soon as the data exclusivity expires on GlaxoSmithKline's branded version of the drug, Arixtra. Discussions regarding the registration and marketing of the drug in other territories are ongoing. Sales of Arixtra were \$340m in the US for the year to the end of June 2011, and global sales were \$540m for the same period. While the Company expects the US to be the highest value market for its fondaparinux, there could be a significant market opportunity outside of the US.

Immediately after the announcement of the Institutional Placement and the Offer, the investigators and service providers involved with the Phase III trial of HA-Irinotecan in colorectal cancer were informed that the recruitment stage of this trial could commence. We expect that the first patient will be dosed by the end of the year with the majority of other sites being active early in 2012. This trial will be a critical value driver for Alchemia as it is the final step required to seek approval for HA-Irinotecan in major markets. It also has the potential to validate the HyACT tumour targeting technology which has the potential to enhance the effectiveness of a large number of important cancer drugs.

Our research focus on cancer stem cells has the potential to transform the appeal of the HyACT technology to potential partners and clinicians. Cancer stem cells are highly resistant to chemotherapy and, while they may only represent a fraction of the total cell number in the tumour, are believed to be responsible for the emergence of resistance to treatment and the eventual regrowth of the cancer. Companies and scientists around the world are searching for drugs or approaches to increase the killing of this cell population with the hope of being able to deliver more effective, longer-lasting treatments and, ultimately more patients who are cured of their disease. Alchemia's HyACT technology targets a protein called CD44 which is widely expressed in different cancers and is known to be present in high levels in cancer stem cells.

Our preclinical work has shown the potential for substantial increases in the sensitivity of cancer stem cells to chemotherapies when they are delivered using HyACT. The Phase II study in Small Cell Lung Cancer (SCLC) conducted by Dr Vinod Ganju at the Monash Medical Centre is designed to assess the activity of HA-Irinotecan against that cancer and will also look at the impact of the drug on cancer stem cells. This study is the first to look specifically at these cells in lung cancer.

**In order to maximize shareholder value and choice, in the first half of 2012 we will seek to spin out the oncology assets into a separately listed company with the clear mission to drive the development of this important technology. It is most likely that shares in the oncology company will be distributed directly to all existing shareholders in Alchemia and, subject to market conditions, listed on a major exchange although other mechanisms will be explored in the coming months. This strategy is being pursued to maximize the profitability of Alchemia with the intention that the majority of the fondaparinux profits will be returned to shareholders through dividends or another mechanism.**

## Use of funds

Proceeds from the Institutional Placement and the Offer will supplement cash on hand of around \$4.0m (as at 30 Sept 2011) and will be applied as follows:

- **Clinical Development (65%)**
  - Initiation and execution of pivotal Phase III trial
  - Continuation of Phase II investigator led trial in SCLC
  - Finalisation of HA-Irinotecan manufacturing process
- **Research (15%)**
  - Intellectual property
  - Background spend on oncology
- **Working capital purposes including (circa 15%)**
  - Corporate transaction expenditure (listing of Alchemia Oncology)
  - Business development (HA-Irinotecan)
  - Corporate overheads, listing fees, property etc
- **Issue Costs (< 5%)**

**For further information, please see presentation entitled “Investor Update & Capital Raising” using the following link on the Company’s website:**

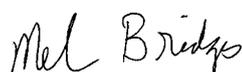
<http://www.alchemia.com.au/IRM/Company/ShowPage.aspx/PDFs/1769-53204136/AlchemiaPresentationNovember2011>

In addition, information on Alchemia’s recent activities is available from the Company’s ASX announcements which can be accessed on the Company’s website - [www.alchemia.com.au](http://www.alchemia.com.au) - and on the ASX website at [www.asx.com.au](http://www.asx.com.au) (ASX code: ACL).

If you have any questions in relation to the Offer, please call the Alchemia Limited SPP Information Line on 1300 668 378, if calling within Australia, or +61 2 8280 7711 if calling from outside Australia.

Thank you for your continued support of Alchemia.

Yours sincerely,



**Mel Bridges**

Chairman

# 3 Frequently asked questions

Set out below are answers to some key questions that you may have about the Offer. This table is qualified by and should be read in conjunction with the Terms and Conditions in **section 4**.

Question	Answer
<b>What is the Offer?</b>	The Offer enables Eligible Shareholders to apply to purchase up to A\$15,000 worth of ordinary shares in Alchemia without paying any brokerage or other charges.
<b>Am I eligible to participate?</b>	<p>You are eligible to participate if you fulfil the criteria set out in <b>clause 2</b> of the Terms and Conditions.</p> <p>You must have been a holder of Alchemia shares at 7.00 pm (Brisbane time) on Friday, 4 November 2011 (<b>Record Date</b>) and your registered address must be in Australia or New Zealand for you to be eligible to participate.</p> <p>If you are a nominee or custodian holding shares on behalf of one or more beneficial holders, you may also apply to purchase up to A\$15,000 worth of shares on behalf of each beneficial holder, subject to complying with the criteria set out in <b>clause 7.2</b> of the Terms and Conditions.</p>
<b>Do I have to participate?</b>	Participation is optional.
<b>Can I transfer my entitlement to participate?</b>	You cannot transfer your right to purchase shares under the Offer to anyone else.
<b>How do I apply?</b>	<p>To apply for shares under the Offer you can either:</p> <p><b>Option 1: Pay by Bpay®</b></p> <p>Make payment by BPAY as shown on the Application Form. New Zealand based shareholders cannot apply using BPAY unless they have an Australian bank account.</p> <p><b>Option 2: Pay by cheque or money order</b></p> <p>Complete and return the enclosed Application Form together with a cheque or money order drawn on an Australian bank made payable to "Alchemia Limited" as shown on the Application Form.</p>
<b>What is the maximum investment for each shareholder?</b>	The maximum investment for each shareholder is A\$15,000.
<b>How many shares will I receive?</b>	<p>You may apply for a parcel of shares under the Offer with one of the application amounts set out in <b>clause 6.2</b> of the Terms and Conditions. The Offer Price will be the lesser of:</p> <ul style="list-style-type: none"> <li>• A\$0.24, being the offer price per Share under the Institutional Placement; and</li> <li>• a 7.5% discount to the average closing price of Shares on ASX over the five trading days immediately before the Allotment Date, subject to a minimum Offer Price of \$0.20 per Share.</li> </ul> <p>If Alchemia receives applications in excess of A\$5 million under the Offer, Alchemia reserves the ability to scale back applications and excess funds will be returned to applicants without interest, unless the scale back produces a fraction of a Share when applied to an application, in which case excess funds will be donated to one or more registered charities nominated by the Board in accordance with clause 10.4.</p> <p>Fractional Shares will not be issued. Any fraction of a New Share will be rounded down to the nearest whole number of Shares. In such a case, excess funds (this will always be the value of a fraction of a single Share) will be donated to one or more registered charities nominated by the Board in accordance with <b>clause 11</b>.</p>
<b>When will I receive my shares?</b>	New Shares will be allotted on Thursday, 15 December 2011 ( <b>Allotment Date</b> ). Holding statements will be dispatched by Tuesday, 20 December 2011.
<b>When can I trade allocated shares?</b>	You can trade your New Shares after the Allotment Date. However, given the possibility that applications may be scaled back, you should confirm your holding on or after the Allotment Date before trading any New Shares you believe you have acquired under the Offer.

# 4 Terms and conditions

## 1 Offer

The Offer entitles eligible Alchemia shareholders to apply to purchase up to A\$15,000 worth of Shares in Alchemia.

## 2 Eligibility to participate

- 2.1 You are eligible to participate in the Offer if you were a registered holder of Shares at 7.00 pm on Friday, 4 November 2011 (**Record Date**) with a registered address in Australia or New Zealand, unless:
- you hold Shares on behalf of another person who resides outside Australia or New Zealand; or
  - you are, or are acting for the account or benefit of, a US Person.
- 2.2 Alchemia has determined that it is either unlawful or impracticable for holders of Shares with registered addresses in jurisdictions outside Australia and New Zealand to participate in the Offer.
- 2.3 If you are the only registered holder of a holding of Shares, but you receive more than one offer (for example, due to multiple registered holdings), you may only apply for one maximum parcel of New Shares.
- 2.4 Joint holders of Shares will be taken to be a single registered holder of Shares for the purposes of determining whether they are an Eligible Shareholder and a certification under **clause 7.1(j)** by one joint holder will be effective in respect of the other joint holder(s).
- 2.5 If you are a Custodian for a beneficiary or beneficiaries, you may apply for one maximum parcel of New Shares for each beneficiary (or if you are a Custodian for two or more joint beneficiaries, for each such holding as if it was held by a single person). Further information in relation to how Custodians may apply for New Shares is set out in **clause 7.2**.
- 2.6 Directors and employees of Alchemia who hold Shares may be Eligible Shareholders.

## 3 Rights are non-renounceable

If you are an Eligible Shareholder, your rights under the Offer are personal to you and are non-renounceable, which means that you cannot transfer your rights to another person.

## 4 Offer Price

- 4.1 The Offer Price for each New Share will be the lesser of:
- A\$0.24, being the offer price per share under the Institutional Placement; and
  - a 7.5% discount to the closing price of Shares on ASX over the five trading days immediately before the Allotment Date, subject to a minimum Offer Price of A\$0.20 per Share.

- 4.2 Therefore, the maximum price that Eligible Shareholders will pay in order to participate in the Offer is A\$0.24 per New Share.

## 5 Timing

- 5.1 The Offer opens on Wednesday, 23 November 2011 and closes at 7.00 pm (Brisbane time) on Monday, 12 December 2011 unless extended. Alchemia proposes to allot New Shares on Thursday, 15 December 2011 and send confirmations to shareholders by Tuesday, 20 December 2011.
- 5.2 Alchemia reserves the right to extend the Offer, or the proposed Allotment Date at any time by making an announcement to ASX.

## 6 Applying for New Shares

- 6.1 You may apply for a parcel of New Shares under the Offer with one of the application amounts set out in the table below. The maximum investment under the Offer is A\$15,000.
- 6.2 The number of New Shares you will receive will depend on the Offer Price as determined on the Allotment Date, but the following table sets out the indicative number of New Shares you will receive if the Offer Price is determined to be the price per share under the Institutional Placement and assuming there is no scale back of entitlements:

Application amount	Minimum Number of New Shares (if the Offer is priced at A\$0.24)
A\$1,000	4,166
A\$2,500	10,416
A\$5,000	20,833
A\$7,500	31,250
A\$10,000	41,666
A\$12,500	52,083
A\$15,000	62,500

- 6.3 You may not apply for more than A\$15,000 of Shares in aggregate under the Offer, even though you may receive more than one offer, or offers in more than one capacity, under the Offer.
- 6.4 If you wish to apply for New Shares under the Offer you should either:
- pay directly via BPAY® on the internet or by telephone, using the details on the Application Form (New Zealand based shareholders cannot apply using BPAY unless they have an Australian bank account).<sup>2</sup> The Application Form does not need to be returned in this case; or
  - complete the Application Form and forward it with your payment by cheque (or money order) drawn on an Australian bank in Australian dollars made payable to "Alchemia Limited" to the Share Registry, at the address set out on the Application Form. A reply paid envelope is enclosed for the convenience of Australian shareholders.

<sup>2</sup> Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment, and should take this into consideration when making any electronic payment. It is the responsibility of the applicant to ensure that funds submitted through BPAY are received in time.

- 6.5 Do not forward cash. Receipts for payment will not be issued.
- 6.6 Funds paid via BPAY or Application Forms (with application payments) must be received by the Share Registry by **5.00 pm (Brisbane time) on Monday, 12 December 2011**. Alchemia may reject applications received after this time. If your cheque does not clear, your application will not be accepted and you agree to be responsible for any dishonour fees or other costs incurred.
- 6.7 If your Application Form or application is incomplete, contains errors or is otherwise invalid or defective, Alchemia may, in its sole discretion, accept, reject, correct or amend your application, issue such number of New Shares to you as it considers appropriate, refund your application money, or take any combination of these actions. Any necessary refund will be paid to you shortly after the close of the Offer. No interest will be paid on any refunded money.
- 6.8 You cannot withdraw or revoke your application once you have sent in an Application Form or paid via BPAY.

## 7 Effect of making an application

- 7.1 If you submit a BPAY payment or complete and return the Application Form:
- you will be deemed to have represented and warranted that you are an Eligible Shareholder, you have read and understood these Terms and Conditions and you subscribe for New Shares in accordance with these Terms and Conditions;
  - you authorise Alchemia to correct minor errors in your Application Form and to complete the Application Form by inserting any missing minor details;
  - you acknowledge that the market price of Shares may rise or fall between the date of this Offer and the Allotment Date and that the Offer Price you pay for the New Shares may exceed the market price of the Shares on the Allotment Date;
  - you accept the risk associated with any refund that may be dispatched to you at your address as shown on the share register;
  - you are responsible for any dishonour fees or other costs Alchemia may incur in presenting a cheque for payment which is dishonoured;
  - you acknowledge that the New Shares have not, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdictions in the United States, or in any other jurisdiction outside Australia or New Zealand, and accordingly, the New Shares purchased under the Offer may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and any other applicable securities laws;
  - you represent and warrant that you are not a US Person, and are not applying under the Offer for or on behalf of a US Person;
- you represent and warrant that you have not and will not send any materials relating to the Offer to any person in the United States that is, or is acting for the account or benefit of, a US Person;
  - you acknowledge that you have not been provided with investment advice or financial product advice by Alchemia or the Share Registry; and
  - you certify that you have not applied for, or instructed a Custodian to apply on your behalf for, New Shares with an application price which, when aggregated with the application price for any Shares issued to you or a Custodian on your behalf under the Offer or any similar Alchemia arrangement in the 12 months prior to your application, exceeds A\$15,000. This certification by one joint holder of Shares will be effective in respect of the other joint holder(s).
- 7.2 if you are a Custodian, you certify:
- that as at the Record Date, you hold Shares on behalf of one or more beneficiaries, and that those beneficiaries have instructed you to apply for New Shares;
  - details of the number of beneficiaries who have instructed you to apply for New Shares on their behalf, their names and addresses, the number of Shares you hold on their behalf and the number of New Shares they have instructed you to apply for are correct;
  - you have not applied for New Shares on behalf of any beneficiary with an application price which, when aggregated with the application price for any Shares issued to you on behalf of that beneficiary under the Offer or any similar Alchemia arrangement in the 12 months prior to your application, exceeds A\$15,000; and
  - you hold an Australian financial services licence that covers the provision of a custodial or depositary service (within the meaning given by section 766E of the Corporations Act or includes a condition requiring the holder to comply with the requirements of ASIC class order 02/294 [or is exempt from the requirement to hold an Australian financial services licence as described in the Class Order]).
- 7.3 Custodians wishing to participate on behalf of one or more beneficiaries should contact the Share Registry to obtain more information on how to apply and the form of certification to be given.
- 7.4 Please note that if you hold Shares in the capacity of a trustee or a nominee for another person but you do not hold an Australian financial services licence of the kind described in **clause 7.2** above and you are not exempt from the requirement to hold such a licence as described in the Class Order, you cannot participate for beneficiaries in the manner outlined in **clause 7.2** above. In this case, the rules for multiple registered holdings as described in **clause 2.3** apply.

## 8 Rights attached to the New Shares

New Shares issued under the Offer will rank equally with existing Shares and will carry the same voting rights, dividend rights and other entitlements as at the Allotment Date. Alchemia will apply for the New Shares to be quoted on ASX.

## 9 Costs of participation

No brokerage, commissions or other transaction costs will be payable by Eligible Shareholders in respect of the application for, and allotment of, New Shares under the Offer.

## 10 Applications may be scaled back

- 10.1 If Alchemia receives applications in excess of A\$5 million, Alchemia reserves the ability to scale back applications.
- 10.2 If applications are scaled back, Alchemia may in its absolute discretion apply the scale back to the extent and in any manner that it sees fit.
- 10.3 In the event of a scale back, the difference between the application monies received, and the number of New Shares allocated to you multiplied by the Offer Price, will be refunded by Alchemia, without interest, following allotment, except as described in **clause 10.4**.
- 10.4 If the scale back produces a fraction of a New Share when applied to your parcel, the number of New Shares you will be allocated will be rounded down to the nearest whole number of New Shares and the difference between the application monies received, and the number of New Shares allocated to you multiplied by the Offer Price will be donated in accordance with **clause 11**.

## 11 Rounding of New Shares and donation to charity

- 11.1 If you apply for New Shares under the Offer, you will apply for a certain value rather than a certain number of New Shares. The number of New Shares you will receive will be determined by:
  - (a) if there is no scale back applied to your application under **clause 10**, dividing the value of the New Shares you have applied for by the Offer Price once it is determined; or
  - (b) if there is a scale back applied to your application, dividing the scaled back value of the New Shares you have applied for by the Offer Price, once it is determined.
- 11.2 If the calculation in **clause 11.1** produces a fractional number, the number of New Shares you will be allotted will be rounded down to the nearest whole number.
- 11.3 If the number of New Shares you are allotted is rounded down, your application amount will be slightly greater than the value of New Shares allotted to you and Alchemia will pay an amount equal to any such excess to one or more registered charities nominated by the Board and you are taken to have directed Alchemia to make the donation under those terms and you will not be issued with a receipt in connection any donation under this rule.

## 12 Refunds

- 12.1 Refunds pursuant to the Offer may be paid under various circumstances. For example, if applications are made incorrectly the entire payment may be refunded, or if allocations are scaled back a partial refund may be made.
- 12.2 If a refund is made, payment will be by cheque mailed to your address as shown on the company's share register.
- 12.3 You will not receive any interest on funds refunded to you.
- 12.4 Any refund made to you is dispatched at your risk.

## 13 United States

- 13.1 Participation in the Offer is not being offered, directly or indirectly, in the United States or to any person that is, or is acting for the account or benefit of, a US Person. This document and any related offering documents must not be mailed or otherwise transmitted or distributed in or into the United States or to any person that is, or is acting for the account or benefit of, a US Person. Participation in the Offer, directly or indirectly, in violation of these restrictions is not permitted, and any such participation will be invalid.
- 13.2 This document is not an offer of securities for sale in the United States or to any person that is, or is acting for the account or benefit of, a US Person. Alchemia's Shares have not been, and will not be, registered under the US Securities Act and may not be offered, sold or delivered, directly or indirectly, in the United States or to any person that is, or is acting for the account or benefit of, a US Person, except in accordance with an available exemption from registration.
- 13.3 Because of the legal restrictions summarised above, you must not send copies of any Offer materials to any of your clients (or any other person) in the United States or to any person that is, or is acting for the account or benefit of, a US Person. Consistent with the warranties set out above, you are also advised not to submit any Application Form or make payment by BPAY or otherwise in respect of the purchase of New Shares under the Offer on behalf of any of your clients (or any other person) in the United States or that is, or is acting for the account or benefit of, a US Person. Failure to comply with these restrictions may result in violations of applicable securities laws.

## 14 Dispute resolution

Alchemia reserves the right to settle in any manner it thinks fit, any difficulties, anomalies or disputes which may arise in connection with or by reason of the operation of the Offer and the decision of Alchemia will be conclusive and binding on all shareholders and other persons to whom the determination relates.

## 15 Waiver, amendment, suspension and termination

- 15.1 Alchemia may, in its discretion, waive compliance with any provision of these Terms and Conditions, amend or vary these Terms and Conditions or suspend, withdraw or terminate the Offer at any time. Any such waiver, amendment, variation, suspension, withdrawal or termination will be binding on all Eligible Shareholders even where Alchemia does not notify you of the event.
- 15.2 Alchemia is not liable for loss, cost or expense arising out of any exercise of its discretions under these Terms and Conditions.
- 15.3 Alchemia reserves the right to issue no New Shares or fewer New Shares than an Eligible Shareholder applies for under the Offer if Alchemia believes the issue of those New Shares would contravene the Class Order, ASIC's requirements or policy, any law or any ASX Listing Rule.

## 16 ASIC relief

- 16.1 The Offer is made in accordance with the Class Order. The Class Order grants relief from the requirement to prepare a prospectus for the offer of New Shares up to A\$15,000 under the Offer, subject to certain terms and conditions.
- 16.2 In accordance with the terms of the Class Order, Alchemia has on 11 November 2011 given a notice to ASX that complies with section 708A(6) of the Corporations Act.

## 17 Governing law

These Terms and Conditions are governed by the laws in force in Queensland.

## 18 Binding terms

By accepting the offer to purchase New Shares under the Offer, you agree to be bound by these Terms and Conditions and the constitution of Alchemia.

## 19 No underwriting

The Offer is not underwritten.

## 20 Definitions

In this document the following terms have these meanings:

Definition	Meaning
<b>Alchemia</b>	Alchemia Limited ABN 43 071 666 334.
<b>Allotment Date</b>	The date the New Shares are allotted, expected to be Thursday 15 December 2011.
<b>Application Form</b>	The application form which accompanies this Share Purchase Plan Offer.
<b>ASIC</b>	The Australian Securities & Investments Commission.
<b>ASX</b>	ASX Limited or the Australian Securities Exchange, as the context requires.
<b>Class Order</b>	ASIC class order [CO 09/425].
<b>Corporations Act</b>	Corporations Act 2001 (Cth).
<b>Custodian</b>	The meaning given in the Class Order.
<b>Eligible Shareholder</b>	A person who is eligible to participate in the Offer in accordance with <b>clause 2</b> of the Terms and Conditions.
<b>Institution Placement</b>	The institutional placement of Shares announced by Alchemia on Monday, 7 November 2011.
<b>New Shares</b>	The Shares offered in the Share Purchase Plan Offer.
<b>Offer</b>	The offer of New Shares in the Share Purchase Plan Offer.
<b>Offer Price</b>	The price per New Share in accordance with paragraph 4 of these Terms and Conditions.
<b>Share Purchase Plan Offer</b>	This document.
<b>Share Registry</b>	Link Market Services Limited ABN 54 083 214 537.
<b>Shares</b>	Fully paid ordinary shares in Alchemia.
<b>Terms and Conditions</b>	The terms and conditions of the Offer set out in <b>section 4</b> of this Share Purchase Plan Offer.
<b>US Person</b>	A "U.S. person" as defined in Regulation S under the US Securities Act of 1933.
<b>US Securities Act</b>	US Securities Act of 1933.



Alchemia

**SRN/HIN:**

**Entitlement Number:**

**Record Date:** 4 November 2011

**Offer Opens:** 23 November 2011

**Offer Closes**  
**5:00pm (Brisbane time): 12 December 2011**

### SHARE PURCHASE PLAN ("SPP") APPLICATION FORM

**How do I apply for Shares under this offer?**

- Carefully read the SPP Terms and Conditions accompanying this form.
- Decide on the amount you wish to apply for.
- Pay for the Shares in accordance with the instructions outlined in the SPP Offer Booklet and further important instructions on the reverse of this form.
  - Option 1: Paying by BPAY®.
  - Option 2: Paying by Cheque, Bank Draft or Money Order.
- Payments must be in Australian dollars.

**PAYMENT OPTIONS**

**Option 1: Paying by BPAY®**

If paying by BPAY®, you do **NOT** need to complete or return the Acceptance Slip attached to this Application Form below. Payment must be received by the Registry by BPAY® by 5:00pm (Brisbane time) on 12 December 2011. By paying by BPAY®, you will be deemed to have completed an Application Form for the number of Shares the subject of your Application Payment. If you make a payment by BPAY® and Alchemia Limited receives an amount which is not equal to either A\$1,000, A\$2,500, A\$5,000, A\$7,500, A\$10,000, A\$12,500 or A\$15,000, Alchemia Limited may round down the dollar amount of Shares that you are applying for to the next lowest parcel at their discretion. Your payment must be for a minimum of A\$1,000.



Billers Code: 8953

Ref:

**Telephone & Internet Banking – BPAY®**

Contact your bank or financial institution to make this payment from your cheque, savings, debit or transaction account. More info: www.bpay.com.au

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**Option 2: Paying by Cheque, Bank Draft or Money Order**

If paying by cheque, bank draft or money order, complete and return the Acceptance Slip attached to this Application Form with your Application Payment.

- A. Tick the box beside the amount you wish to apply for, either A\$1,000, A\$2,500, A\$5,000, A\$7,500, A\$10,000, A\$12,500 or A\$15,000.
- B. Enter your cheque, bank draft or money order details. The amount of your Application Payment should be equal to the amount applied for in section A of the Acceptance Slip. Cheques, bank drafts or money orders must be drawn on an Australian branch of a financial institution in Australian currency, made payable to "Alchemia Limited" and crossed "Not Negotiable". Please ensure sufficient cleared funds are held in your account, as your cheque will be banked as soon as it is received. If you provide a cheque, bank draft or money order for an amount that is not equal to either A\$1,000, A\$2,500, A\$5,000, A\$7,500, A\$10,000, A\$12,500 or A\$15,000, Alchemia Limited may round down the dollar amount of Shares that you are applying for to the next lowest parcel at their discretion. Your payment must be for a minimum of A\$1,000.
- C. Enter your contact telephone number at which we may contact you regarding your application for Shares, if necessary.

**THIS IS A PERSONALISED FORM FOR THE SOLE USE OF THE SHAREHOLDER AND HOLDING RECORDED ABOVE.**

*Please detach and enclose with payment*

**SRN/HIN:**

**Entitlement Number:**



**A** I/we wish to purchase a parcel of Shares to the dollar amount of (tick one box only):

<input type="checkbox"/> A\$1,000 OR	<input type="checkbox"/> A\$2,500 OR	<input type="checkbox"/> A\$5,000 OR	<input type="checkbox"/> A\$7,500 OR	<input type="checkbox"/> A\$10,000 OR	<input type="checkbox"/> A\$12,500 OR	<input type="checkbox"/> A\$15,000
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**B** Make your cheque, bank draft or money order payable to "Alchemia Limited" and crossed "Not Negotiable"

Drawer	Cheque Number	BSB Number	Account Number	Amount of Cheque
				A\$ <span style="font-size: 1.2em;">.00</span>

**C** Telephone Number – Business Hours      Telephone Number – After Hours      Contact Name

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## IMPORTANT INFORMATION

1. This is an important document which requires your immediate attention. If you are in any doubt as to how to deal with this Application Form, please consult a professional adviser.
2. If you do not wish to purchase additional Shares under this SPP, there is no need to take action.
3. Please ensure you have read and understood the SPP Terms and Conditions and this Important Information, before you make the Application Payment by BPAY® or you submit your Acceptance Slip with your Application Payment.
4. This SPP is non-renounceable. Applications can only be accepted in the name printed on the Application Form.
5. If you are a custodian, trustee or nominee within the definition of "custodian" in ASIC Class Order [CO 09/425] you must complete and submit an additional Schedule that contains additional certifications and details that must be provided ("the Schedule") before your Application will be received. The Schedule can be obtained by contacting the Alchemia Limited SPP Offer Information Line. Applications received by custodians that are not accompanied by the Schedule will be rejected.
6. For applicants that are not required to complete the Schedule, by submitting the Acceptance Slip (with a cheque, bank draft or money order) or making payment by BPAY®, you certify that the aggregate of the Application Payment paid by you for:
  - the parcel of New Shares indicated on this Application Form or BPAY® payment; and
  - any other Shares applied for by you, or which you have instructed a Custodian to acquire on your behalf under the SPP or any other similar arrangement in the 12 months prior to the date of submission of the Acceptance Slip or payment by BPAY® does not exceed A\$15,000.
7. Alchemia Limited reserves the right to make amendments to this Application Form where appropriate.
8. Applicants are not assured of receiving the Shares for which they have applied as Alchemia Limited may scaleback applications in its discretion.

SAMPLE

### How to Lodge your Acceptance Slip and Application Payment

A reply paid envelope is enclosed for you to return your Acceptance Slip and Application Payment. No postage stamp is required if it is posted in Australia.

Acceptance Slip and the payment for New Shares must be received by the Registry no later than the closing date shown overleaf. If paying by BPAY® you do not need to complete or return the Application Form. You should check the processing cut off-time for BPAY® transactions with your bank, credit union or building society to ensure your payment will be received by the Registry by the close of the offer.

#### Mailing Address

Alchemia Limited  
C/- Link Market Services Limited  
Locked Bag 3415  
Brisbane QLD 4001

or

#### Hand Delivery

Alchemia Limited  
C/- Link Market Services Limited  
Level 15, 324 Queen Street  
Brisbane QLD 4000 **(Please do not use this address for mailing purposes)**

Make sure you send your Acceptance Slip and Application Payment allowing enough time for mail delivery, so Link Market Services Limited receives them no later than 5:00pm (Brisbane time) on 12 December 2011. Please ensure sufficient cleared funds are held in your account, as your cheque will be banked as soon as it is received. Alchemia Limited reserves the right not to process any Acceptance Slips and Application Payments received after the Closing Date.

**If you require information on how to complete this Acceptance Slip please contact the Alchemia Limited SPP Offer Information Line on 1300 668 378 if calling within Australia or +61 2 8280 7711 if calling from outside of Australia.**