

ASX Release

Proposed Share Consolidation

Perth, Australia – 14 October 2019: SUDA Pharmaceuticals Limited (ASX: SUD), a leader in oro-mucosal drug delivery, advises that the Company proposes to consolidate its share capital through the consolidation of every 25 Shares in the Company into 1 Share in the Company (**Consolidation**).

As of the date of the Notice of Annual General Meeting, the Company has 3,556,371,635 Shares on issue. For the relative small size of the Company, this is a very large number of securities on issue and it subjects the Company to a number of disadvantages including:

- (a) additional share price volatility arising from the fact that the minimum permissible share price movement permitted by the ASX (being 0.1 cent) represents a high proportion of the Company's share price;
- (b) the large number of Shares on issue is disproportionate to that of comparable companies; and
- (c) negative perceptions associated with a low share price.

The Directors consider that a share consolidation would assist in mitigating these disadvantages. The Directors also consider that the share consolidation will result in a more appropriate and effective capital structure for the Company and a share price that is more attractive to a wider range of investors, particularly overseas investors.

Although the Consolidation has no direct effect on the underlying value of the Company, shareholders should appreciate that the value of the Company's shares on the ASX (and in turn the Company's market capitalisation) post Consolidation is subject to a range of factors beyond the control of the Company.

As at the date of the Notice of Annual General Meeting, the Company has 1,283,615,755 Options on issue (listed and unlisted). If the Consolidation is approved, the Options will also be reorganised in accordance with the terms and conditions of the Options and Listing Rule 7.22.1 (as applicable) on the basis that the number of Options will be consolidated in the same ratio as the Consolidation and the exercise price will be amended in inverse proportion to that ratio

If shareholders approve the Consolidation at the AGM, the issued shares in the Company will reduce from approximately 3.6 billion shares to approximately 142 million shares. As the Consolidation applies equally to all the Company's security holders, individual holdings will be reduced in the same ratio. The value of individual holdings at the time of the Consolidation will not change (subject only to the rounding of fractions).

The indicative timetable for Consolidation, if shareholders approve Resolution 7 at the AGM, is as follows

14 October 2019	Share consolidation proposal announced to the market in Notice of Meeting for AGM
12 November 2019	Shareholder meeting and notice to the ASX that Shareholders have approved the Consolidation
13 November 2019	Last day for trading in pre-consolidated securities
14 November 2019	Trading in consolidated securities on a deferred settlement basis commences
15 November 2019	Last day for registration of transfers on a pre-consolidation basis
18 November 2019	Company to send notice to each holder of the change in their details of holdings

Shareholders are encouraged to review the Explanatory Memorandum in the Notice of Meeting for the AGM, which was lodged with the ASX on 11 October 2019.

Further information:

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NOTES TO EDITORS:

About SUDA Pharmaceuticals Ltd

SUDA Pharmaceuticals Ltd (ASX: SUD) is a drug delivery company focused on oro-mucosal administration, headquartered in Perth, Western Australia. The Company is developing low-risk oral sprays using its OroMist® technology to reformulate existing pharmaceuticals. The many potential benefits of administering drugs through the oral mucosa (i.e.: cheeks, tongue, gums and palate) include ease of use, lower dosage, reduced side effects and faster response time. SUDA's product pipeline includes ZolpiMist™, a first-in-class oral spray of zolpidem for insomnia. ZolpiMist is marketed in the USA and SUDA has rights to the product outside of the US and Canada. Other products in development include oral sprays for the treatment of: migraine headache, chemotherapy-induced nausea and vomiting, erectile dysfunction, PAH, epileptic seizures and pre-procedural anxiety and cancer. For more information, visit www.sudapharma.com

This announcement contains certain statements which may constitute forward-looking statements or information ("forward-looking statements"), including statements regarding negotiations with third parties and regulatory approvals. These forward-looking statements are based on certain key expectations and assumptions, including assumptions regarding actions of third parties and financial terms. These factors and assumptions are based upon currently available information and the forward-looking statements contained herein speak only as of the date hereof. Although the expectations and assumptions reflected in the forward-looking statements are reasonable in the view of the Company's directors and management, reliance should not be placed on such statements as there is no assurance that they will prove correct. This is because forward-looking statements are subject to known and unknown risks, uncertainties and other factors that could influence actual results or events and cause actual results or events to differ materially from those stated, anticipated or implied in the forward-looking statements. These risks include, but are not limited to: uncertainties and other factors that are beyond the control of the Company; global economic conditions; risk associated with foreign currencies; and risk associated with securities market volatility. The Company assumes no obligation to update any forward-looking statements or to update the reasons why actual results could differ from those reflected in the forward-looking statements, except as required by Australian securities laws and ASX Listing Rules.