PharmAust
LIMITED
ABN 35 094 006 023

⊢ 000001 000 PAA
MR SAM SAMPLE
123 SAMPLE STREET
SAMPLETOWN VIC 3000

31 July 2015

Dear Option Holder

EXPIRY OF LISTED OPTIONS (ASX CODE: PAAO)

We confirm that you are the holder of listed options (Options) in PharmAust Limited. You will receive one fully paid ordinary share for every one option that you chose to exercise. The exercise of the options is entirely at your discretion - you are under no obligation to exercise your options.

This letter is to notify you of the impending expiry of your Options at 5:00pm WST on 31 August 2015 (Expiry Date).

In accordance with the ASX Listing Rules, PAA provides you with the following information:

- each Option entitles you to apply for one fully paid ordinary share in the capital of PAA;
- the exercise price payable to exercise your Options by the Expiry Date is $0.02 per Option;
- if you fail to exercise your Options prior to the Expiry Date, those Options will lapse and you shall have no further right or entitlement to those Options;
- quotation of the Options on Australian Stock Exchange Limited (ASX) will end on 31 August 2015;
- the last available closing price of the listed shares in PAA prior to the date of this letter was $0.008;
- the last available closing price of the Options prior to the date of this letter was $0.001;
- the highest and lowest market sale price of PAA's shares on ASX during the 3 months immediately preceding the date of this letter and the respective dates of those sales were:
  Highest: $0.013 on 11 May 2015
  Lowest: $0.007 on 30 June 2015;
- the highest and lowest market sales price of PAA's Options on ASX during the 3 months immediately preceding the date of this letter and the respective dates of those sales were:
  Highest: $0.003 on 13, 21-22, 25-29 May & 1 June 2015
  Lowest: $0.001 on 1 May, 17 June-6 July & 8-31 July 2015

If you decide to exercise your options, you should complete the Option Expiry Form provided to you and send that together with your exercise monies to the Company's share registry:

Computershare Investor Services Pty Limited
GPO Box 505
Melbourne VIC 3001
Australia

The Company encourages you to seek your own independent professional advice in deciding whether or not to exercise your options.

Your sincerely,

Sam Wright
Director and Company Secretary

PharmAust LIMITED
ABN 35 094 006 023

For all enquiries:

Phone:
(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

Web:
www.investorcentre.com

⊢ 000001 000 PAA
MR SAM SAMPLE
123 SAMPLE STREET
SAMPLETOWN VIC 3000

Make your payment:

See overleaf for details of the Offer and how to make your payment

Option Expiry Notice

Options exercisable at $0.02 expiring at 5.00pm (WST) on 31 August 2015

This is an important document that requires your immediate attention.
It can only be used in relation to the Optionholding represented by the details printed overleaf. If you are in doubt about how to deal with this form, please contact your financial or other professional adviser.
You are reminded that the Options to subscribe for Fully Paid Ordinary Shares in the capital of Pharmaust Limited registered in your name expire at 5.00pm (WST) on 31 August 2015. These Options are exercisable wholly or in part by the payment of $0.02 for each Option exercised. Payment must be received at the address overleaf by 5.00pm (WST) on 31 August 2015. For every one Option exercised, the Optionholder will be issued one Fully Paid Ordinary Share in the capital of Pharmaust Limited.
Quotation of the Options ends at close of trading on 24 August 2015.
Options not exercised by 5.00pm (WST) on 31 August 2015 will lapse.

Step 1: Registration Name & Offer Details

Please check the details provided and update your address via www.investorcentre.com if any of the details are incorrect.

If you have a CHESS sponsored holding, please contact your Controlling Participant to notify a change of address.

Step 2: Make Your Payment

You can exercise either all or some of your Options. Enter the number of Options you wish to exercise and the amount of payment for those exercised Options.

Turn over for details of the Offer ➔

Choose one of the payment methods shown below.
BPAY®: See overleaf. Do not return the payment slip if making payment by BPAY.
By Mail: Complete the reverse side of the payment slip and detach and return with your payment. Make your cheque, bank draft or money order payable in Australian dollars to **"Pharmaust Limited"** and cross **"Not Negotiable"**. The cheque must be drawn from an Australian bank. Cash is not accepted.
Payment will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques cannot be re-presented and may result in your Form being rejected.
Paperclip (do not staple) your cheque(s) to the payment slip.
Receipts will not be forwarded. Funds cannot be debited directly from your account.
Entering your contact details is not compulsory, but will assist us if we need to contact you.

Recent Fully Paid Ordinary Share Prices on Australian Securities Exchange
Latest available market sale price of the Fully Paid Ordinary Shares was $0.008 on 29 July 2015.
Highest sale price during the 3 months preceding 30 July 2015 was $0.013 on 11 May 2015.
Lowest sale price during the 3 months preceding 30 July 2015 was $0.008 on 30 June 2015.

Pharmaust Limited Option Expiry Notice
Payment must be received by 5.00pm (WST) on 31 August 2015

® Registered to **BPAY** Pty Limited ABN 69 079 137 518

Option Expiry Notice

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STEP 1 Registration Name & Offer Details

For your security keep your SRN/ HIN confidential.

Registration Name:
MR SAM SAMPLE
123 SAMPLE STREET
SAMPLETOWN VIC 3000

Entitlement No: 12345678

Offer Details:

Number of Options (ASX code: PAAO) registered in your name as at 30 July 2015:	**4,000**
Amount payable on full exercise of Options at $0.02 per Option:	**$0.01**
Number of Fully Paid Ordinary Shares to be issued on full exercise:	**1**

STEP 2 Make Your Payment

BPAY

Biller Code: 40832
Ref No: 1234 5678 9123 4567 89

Contact your financial institution to make your payment from your cheque or savings account.

Pay by Mail:

Make your cheque, bank draft or money order payable to **"Pharmaust Limited"** and cross **"Not Negotiable"**.
Return your cheque, bank draft or money order with the payment slip to:
Pharmaust Limited
c/- Computershare Investor Services Pty Limited
GPO BOX 505 Melbourne Victoria 3001 Australia

Lodgement of Acceptance
If you are exercising your Options and your payment is being made by BPAY, you do not need to return the payment slip. Your payment must be received by no later than **5.00pm (WST) on 31 August 2015**. Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment, and should therefore take this into consideration when making payment. Neither Computershare Investor Services Pty Limited ("CIS") nor Pharmaust Limited accepts any responsibility for loss incurred through incorrectly completed BPAY payments. It is the responsibility of the applicant to ensure that funds submitted through BPAY are received by this time.
If you are paying by cheque, bank draft or money order the payment slip must be received by CIS by no later than **5.00pm (WST) on 31 August 2015**. You should allow sufficient time for this to occur. A reply paid envelope is enclosed for shareholders in Australia. Shareholders outside Australia will need to affix the appropriate postage. Neither CIS nor the Company accepts any responsibility if you lodge the payment slip at any other address or by any other means.

Privacy Notice
The personal information you provide on this form is collected by CIS, as registrar for the securities issuers (the issuer), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. In addition, the issuer may authorise us on their behalf to send you marketing material or include such material in a corporate communication. You may elect not to receive marketing material by contacting CIS using the details provided overleaf or emailing privacy@computershare.com.au. We may be required to collect your personal information under the Corporations Act 2001 (Cth) and ASX Settlement Operating Rules. We may disclose your personal information to our related bodies corporate and to other individuals or companies who assist us in supplying our services or who perform functions on our behalf, to the issuer for whom we maintain securities registers or to third parties upon direction by the issuer where related to the issuer's administration of your securityholding, or as otherwise required or authorised by law. Some of these recipients may be located outside Australia, including in the following countries: Canada, India, New Zealand, the Philippines, the United Kingdom and the United States of America. For further details, including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact our Privacy Officer at privacy@computershare.com.au or see our Privacy Policy at http://www.computershare.com/au.

Detach here

Exercise Payment Details

Number of Options exercised: | | | | | | | | |

Amount enclosed at $0.02 per Option exercised: **A$** | | | | | | . | |

Entitlement No: 12345678

MR SAM SAMPLE
123 SAMPLE STREET
SAMPLETOWN VIC 3000

Payment must be received by 5.00pm (WST) on 31 August 2015

Contact Details

Contact Name _____ **Daytime Telephone** _____

Cheque Details

Drawer	Cheque Number	BSB Number	Account Number	Amount of Cheque
				A$

12345678912345678 9+0000000001−3051+14