ASX Release **19th May 2014**

Clinical Study with PPL-1 Initiated following Governance Approval

PharmAust Limited ("PharmAust") (ASX: PAA & PAAO) is pleased to announce that it has now received approval from the Royal Adelaide Hospital Governance Committee to begin evaluation of proprietary drug PPL-1 in a Phase I/II clinical trial in man. This is the final approval required to commence this trial following the earlier approval of the trial from the Royal Adelaide Hospital Ethics Committee.

Following a site initiation visit, PharmAust expects that Professor Michael Brown and his team at the Royal Adelaide Hospital will start screening patients for entry into this important clinical trial in coming weeks.

The clinical trial at the Royal Adelaide Hospital will examine PPL-1 in a variety of late stage cancers, potentially including the major cancers such as lung, pancreas, oesophageal, gastric, colorectal, ovarian, breast, prostate, liver, sarcoma, lymphoma, and melanoma. In addition to measuring safety and pharmacokinetics of PPL-1, the trial will determine changes in various cancer markers. Furthermore, the patient tumours will be biopsied where possible and also studied with the aid of a CT-PET scanner. The study will look at increasing doses of PPL-1 in cohorts of patients with each dose being administered daily for a period of 28 days.

PharmAust's Executive Chairman, Dr Roger Aston said, "Pharmaust's scientific and clinical team, has managed to take a new potential anticancer agent from the bench to approval of 'first-in-man' trial within 10 months. We are grateful and acknowledge NewSouth Innovations in this discovery and their continued support of the work emanating from the St George Hospital. The trial is the culmination of many years of research and development in the laboratory of Professor David Morris."

The cancer chemotherapy market (estimated at $42 billion/annum)* is currently the fastest growing sector within the pharma industry, mainly driven by the identification of new potential therapeutic targets. This growth is further fuelled by the magnitude of the disease worldwide, currently estimated at more than 25 million people suffering from cancer globally, and an estimated 5 million people dying each year from the disease.

*Reference: Research and Markets.com accessed 14th February 2014:
http://www.researchandmarkets.com/reports/335548/chemotherapy_market_insights_20062016_a

For further details please contact:

Dr Roger Aston
Executive Chairman
PharmAust Limited
Tel: 0402 762 204

www.pharmaust.com