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techn**egas**
ultra**lute**

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AGREEMENT TO UTILISE CYCLOTRON FACILITY ASSETS

Further to Cyclopharm Limited's (ASX: CYC) ASX announcement of 19 September 2017 regarding the proposed creation of a new joint venture to service the advanced molecular imaging market in NSW, the Company is pleased to confirm it has now executed an agreement with Cyclotek (Aust) Pty Ltd and its subsidiary Cyclotek NSW Pty Ltd to expand Positron Emission Tomography ('PET') Diagnostics business opportunities for NSW and Australia. In parallel, a collaboration agreement between the Company, Pettech Solutions Limited a wholly owned subsidiary of the Australian Nuclear Science and Technical Organisation ('ANSTO') and Cyclotek has been executed. The collaboration has been established primarily to make accessible and develop new diagnostic and therapeutic products for the market.

Commenting on the announcement Cyclopharm's Managing Director, James McBrayer said, "This exciting initiative will enable the productive future utilisation of a legacy asset to enhance health outcomes for the Australian community.

"CYC will benefit from eliminating an ongoing non-productive lease expense and gain access to a potential income stream from what was a suspended business. I want to thank Macquarie University for their support in making this opportunity for patients in Australia and beyond come to fruition. Additionally, outcomes from Cyclotek NSW's R&D and commercial activities will provide for additional opportunities via the international commercial rights to IP developed."

Under the Cyclotek NSW agreements, Cyclopharm estimates its total net ongoing operational expense savings will be approximately \$280,000 per annum, excluding any Cyclotek NSW profit share payments.

The FY2019 financial impact resulting from both the MMI announced last week and Cyclotron transaction will result in a net benefit to Cyclopharm of \$500,000 for FY2019.

Cyclotek NSW is a wholly owned subsidiary of Cyclotek (Aust) Pty Ltd, established with support of Pettech, Cyclopharm and Macquarie University to strengthen the existing positron emission tomography (PET) marketplace and undertake research and development capability into new PET diagnostic agents and novel isotopes. Specifically, Cyclotek NSW will leverage the assets from Cyclopharm's suspended Cyclopet Pty Ltd business located at Macquarie University Hospital with ANSTO's PETTECH business facility located Lucas Heights, to manufacture new PET diagnostics not otherwise produced in NSW and undertake research and development activities.

Under the agreement with Cyclotek NSW, Cyclopharm will contribute \$40,000 per annum, for a period of 9 years, to fund ongoing research activities of the new entity and gain an entitlement to receive a material share of any profits of the new entity. Cyclopharm will also have exclusive rights to commercialise any of the new entity's intellectual property in markets outside of Australia and New Zealand.

Macquarie University has agreed to support this new venture through terminating Cyclopharm's existing lease of its Cyclotron facility at Macquarie University and waiving a significant amount of rent payable. Further, Macquarie University will collaborate in research and development of new PET diagnostic tracers, clinical trials, as well as on the development of training opportunities for the industry.

This ASX announcement was approved and authorised for release by James McBrayer, Managing Director, CEO and Company Secretary.

For more information, please contact:

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Cyclopharm Limited

Cyclopharm is an ASX Listed radiopharmaceutical company servicing the global medical community. The Company's mission is to provide nuclear medicine and other clinicians with the ability to improve patient care outcomes. Cyclopharm achieves this objective primarily through the provision of its core radiopharmaceutical product, Technegas™ used in functional lung ventilation imaging.

Technegas™

The Technegas™ technology is a structured ultra-fine dispersion of radioactive labelled carbon, produced by using dried Technetium-99m in a carbon crucible, micro furnaced for a few seconds at around 2,700° C. The resultant gas like substance is inhaled by the patient (lung ventilation) via a breathing apparatus, which then allows multiple views and tomography imaging under a gamma or single photon emission computed tomography (SPECT) camera for evaluating functional ventilation imaging. Historically used in the diagnosis of pulmonary embolism, Technegas™, together with advancements in complementary technology to multimodality imaging and analytical software, is being used in other disease states to include COPD, asthma, pulmonary hypertension and certain interventional applications to include lobectomies in lung cancer and lung volume reduction surgery.