

SHAREHOLDER UPDATE HUMAN AND CANINE TRIALS

PharmAust Limited ("PharmAust") (ASX: PAA & PAAO) is pleased to report that its first human patient on PPL-1 treatment has completed the 28-day treatment period with no adverse events in its "First in Man" trial. Although two further patients have been recruited and began treatment both have been withdrawn due to reasons unrelated to PPL-1.

The absence of any significant adverse events in the first patient is an important observation for the company as PPL-1 is a new class of anticancer drug.

In order to address the high patient withdrawal rates and speed up the trial recruitment, PharmAust and CMAX have approached Consultant Medical Oncologists in NALHN (Northern Adelaide Local Health Network) and SALHN (Southern Adelaide Local Health Network) for participation in the trial. The company will report on agreements with further centres to participate in the trial soon.

In the Company's canine trial, two dogs have completed their treatment schedules, without any apparent significant adverse events and a third dog has recently been recruited to complete the first dosing cohort in the trial.

PharmAust's Executive Chairman Dr Roger Aston said "Although it has been frustrating that we have had a high patient attrition rate for reasons unrelated to PPL-1 in both the human and veterinary trials, the absence of toxicity or significant adverse events so far is very encouraging and in line with our expectations from preclinical studies. It should be further emphasised that both human and canine patients have failed all "Standards of Care" before starting the trials on PPL-1 and, as such, they may be in very poor health at the time of recruitment, potentially being the prime cause for patient withdrawal".

PPL-1 is an approved veterinary drug launched in recent years by one of the leading global animal health corporations for the treatment of parasitic diseases in sheep. PharmAust, through its wholly owned subsidiary, Pitney Pharmaceuticals Pty Limited, owns patents on the use of PPL-1 in cancer and malignant disease. The drug will be potentially administered to patients suffering from diverse cancers. In man recruitment will include selection of patients suffering from lung, pancreas, oesophageal, gastric, colorectal, ovarian, breast, prostate, liver, sarcoma, lymphoma, and melanoma".

The human 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

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