



18 September, 2007

The Manager  
Company Announcements  
Australian Stock Exchange Limited  
*Via Electronic Lodgement*

Dear Sir/Madam

### **Retraction and Update on Company**

PharmAust Limited (**Company**) refers to an announcement made on 14 September 2007 enclosing a notice of meeting (**Notice**) prepared by certain shareholders of the Company to convene a meeting to be held on 10 October 2007.

The Company retracts that announcement on the basis that the Notice was invalid at law, as the Company has convened an Extraordinary Meeting for 22 October 2007 in accordance with the requirements set out in the Corporations Act, to consider the resolutions set out in the Notice. The Notice was not lodged, or authorised, by the Company, and the Company confirms that shareholders of the Company should disregard the Notice.

The Company also confirms that it has received a further requisition under section 249D of the Corporations Act for the Company to consider a resolution that the Company be voluntarily wound up. This requisition was sent from the same party that purported to send the Notice discussed above and one of the parties that had issued an earlier requisition.

It is the Company's view that this further requisition is designed to further hamper the Board's efforts to address the Company's present issues and deliberately alarm the Company's staff and clients at a time when the Company has already announced the provision of interim finance together with a fully underwritten rights issue.

The Company is receiving ongoing legal advice in relation to the requisition and will act in accordance with that advice and the Corporations Act.