
PHARMAUST LIMITED

ABN 35 094 006 023

NOTICE OF ANNUAL GENERAL MEETING

TIME: 3:00PM (WST)

DATE: 30 November 2007

PLACE: Cliftons Conference/Seminar Facilities
Ground Floor, Parmelia House
191 St Georges Terrace
Perth, Western Australia

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+ 61 8) 9311 0700.

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TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The Annual General Meeting of the Shareholders of Pharmaust Limited which this Notice of Meeting relates to will be held at 3:00PM (WST) on 30 November 2007 at Cliftons Conference/Seminar Facilities, Ground Floor, Parmelia House, 191 St Georges Terrace, Perth, Western Australia.

YOUR VOTE IS IMPORTANT

The business of the Annual General Meeting affects your shareholding and your vote is important.

VOTING IN PERSON

To vote in person, attend the Annual General Meeting on the date and at the place set out above.

VOTING BY PROXY

To vote by proxy, please complete and sign the proxy form enclosed:

- (a) send the proxy form by post to Pharmaust Limited, Level 71 Division Street, Welshpool, Western Australia; or
- (b) by facsimile to the Company on facsimile number (+ 61 8) 9311 0788,

so that it is received not later than [insert] (WST) on 28 November 2007.

Proxy forms received later than this time will be invalid.

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders of Pharmaust Limited (ABN 35 094 006 023) (**Company**) will be held at 3:00PM (WST) on 30 November 2007 at Cliftons Conference/Seminar Facilities, Ground Floor Parmelia House, 191 St Georges Terrace, Perth Western Australia.

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Statement and the Proxy Form are part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the General Meeting are those who are registered Shareholders of the Company at [insert] (WST) on 30 November 2007.

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

AGENDA

ORDINARY BUSINESS

Financial Statements and Reports

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2007 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

1. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

"That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the remuneration report as contained in the Company's annual financial report for the financial year ended 30 June 2007."

2. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR SIMON OWEN

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of clause 7.3 of the Constitution and for all other purposes, Mr Simon Owen, a Director who was appointed on 2 August 2007, retires, and being eligible, is re-elected as a Director."

3. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – MR HENRY GULEV

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of clause 7.3 of the Constitution and for all other purposes, Mr Henry Gulev, a Director who was appointed on 24 August 2007, retires, and being eligible, is re-elected as a Director."

4. RESOLUTION 4 – RE-ELECTION OF DIRECTOR – BRYANT MCLARTY

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of clause 7.3 of the Constitution and for all other purposes, Bryant McLarty, a Director who retires by rotation, and being eligible, is re-elected as a Director."

5. RESOLUTION 5 – ELECTION OF DIRECTOR – MR NICHOLAS STRETCH

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of clause 7.2 of the Constitution and for all other purposes, Mr Nicholas Stretch, who has been nominated for election and has consented to act, be elected as a Director."

6. RESOLUTION 6 – ELECTION OF DIRECTOR – MR TERENCE HYNDES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of clause 7.2 of the Constitution and for all other purposes, Mr Terence Hyndes, who has been nominated for election and has consented to act, be elected as a Director."

7. RESOLUTION 7– RATIFICATION OF PLACEMENT TO CAMOFI MASTER LDC

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of ASX Listing Rule 7.4 and all other purposes, Shareholders ratify the issue of 8,250,000 Shares at an issue price of 10 cents each and 8,250,000 free attaching Options, issued on 20 April 2007 to CAMOFI Master LDC and otherwise on the terms and conditions detailed in the Explanatory Statement accompanying this Notice."

Short Explanation: Under ASX Listing Rule 7.1, the Company may not issue or agree to issue equity securities in any 12 month period representing more than 15% of its ordinary share capital on issue at the commencement of that period without shareholder approval. By obtaining ratification by shareholders under ASX Listing Rule 7.4 to the issue of securities to CAMOFI Master LDC, the Company will obtain relevant approval for the purposes of ASX Listing Rule 7.1 and thereby refresh the Company's capacity to make future issues of securities up to 15% threshold. Please refer to the Explanatory Statement for details.

DATED: 31 OCTOBER 2007

BY ORDER OF THE BOARD



MR SIMON OWEN
CHAIRMAN
PHARMAUST LIMITED

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders of the Company in connection with the business to be conducted at the General Meeting to be held at 3:00PM (WST) on 30 November 2007 at Cliftons Conference/Seminar Facilities, Ground Floor, Parmelia House, 191 St Georges Terrace, Perth, Western Australia.

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the resolutions in the Notice of Meeting.

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Annual General Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2007 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

In accordance with amendments to the Corporations Act the Company is no longer required to provide a hard copy of the Company's annual financial report to Shareholders unless a Shareholder has specifically elected to receive a printed copy. These amendments may result in reducing the Company's printing costs.

Whilst the Company will not provide a hard copy of the Company's annual financial report unless specifically requested to do so, Shareholders may view the Company annual financial report on its website at <http://www.pharmaust.com>

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the Directors or the Company.

The remuneration report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The remuneration report is part of the Directors' report contained in the annual financial report of the Company for the financial year ending 30 June 2007.

A reasonable opportunity will be provided for discussion of the remuneration report at the Annual General Meeting.

3. RESOLUTIONS 2 & 3 – RE-ELECTION OF DIRECTORS

3.1 GENERAL

Clause 7.2 of the Constitution allows the Directors to appoint at any time a person to be a Director as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Any Director so appointed holds office only until the next following annual general meeting and is then eligible for re-election.

3.2 MR SIMON OWEN

Mr Owen has over 15 years of experience as a corporate and commercial lawyer and corporate consultant with particular focus upon emerging enterprises. He has acted as both a non-executive and executive director of a number of listed and public companies. Mr Owen has undertaken significant capital raising assignments and has developed extensive networks and contacts throughout Australia and internationally.

He has significant experience in the formulation and delivery of strategic goals of developing enterprises. His various roles have provided extensive experience of acquisitions, capital raisings, licensing, joint ventures, corporate development opportunities, investments and corporate structuring.

Mr Owen will retire in accordance with clause 7.3 of the Constitution and being eligible seeks re-election pursuant to Resolution 2.

3.3 MR HENRY GULEV

Mr Gulev is a community pharmacist with over 20 years experience and [it must be either "was" or "has been" depending on whether he still is] a state board member for Chemmart at Symbion Health Limited for more than 10 years.

Mr Gulev has a wealth of experience through his commercial acumen and interest in the development of pharmaceuticals and inception of new products. Mr Gulev is the owner of the highly innovative and successful The Downs Pharmacy Wembley Downs and has been a community pharmacist since graduating from the WA Institute of Technology (now Curtin University of Technology) in 1980.

Mr Gulev will retire in accordance with clause 7.3 of the Constitution and being eligible seeks re-election pursuant to Resolution 3.

4. RESOLUTION 4 – RE-ELECTION OF BRYANT MCLARTY

Clause 7.3 of the Constitution requires that if the Company has three or more Directors, one third (or the number nearest one-third) of those Directors must retire at each annual general meeting, provided always that no Director (except a Managing Director) shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election.

The Company currently has 3 Directors and accordingly Bryant McLarty must retire.

A Director who retires by rotation under clause 7.3 of the Constitution is eligible for re-election.

Bryant McLarty retires by rotation and seeks re-election.

5. RESOLUTIONS 5 & 6 – ELECTION OF DIRECTORS

5.1 GENERAL

Clause 7.2(f) of the Constitution requires that the Company accepts nominations for the election of a Director at any time from the Business Day prior to the date of the relevant notice of meeting up to 35 Business Days prior to the date of the meeting of members at which the Director may be elected.

A nomination for Director must be a notice in writing signed by a member entitled to attend and vote at the meeting of members at which the election is proposed, and be accompanied by a notice in writing signed by the nominee consenting to the nominee.

The Company received, on 12 October 2007, a written notification, signed by a Shareholder entitled to attend and vote at the Company's AGM, nominating Mr Stretch and Mr Hyndes for election as Directors (**Notification**). The Company has also received consents to act as Directors from Mr Stretch and Mr Hyndes.

Resolution 5 is for the election of Mr Stretch as a director and Resolution 6 is for the election of Mr Hyndes as a director.

6. RESOLUTION 7 – RATIFICATION OF PLACEMENT TO CAMOFI MASTER LDC

6.1 GENERAL

As detailed in a release to ASX on 20 April 2007, the Company issued 8,250,000 fully paid ordinary shares in the capital of the Company at an issue price of 10 cents per Share and 8,250,000 free attaching Options to CAMOFI Master LDC pursuant to an agreement to raise \$825,000. The Shares and Options were issued in accordance with ASX Listing Rule 7.1.

6.2 ASX Listing Rules 7.1 and 7.4

Under ASX Listing Rule 7.1 the Company is permitted to issue up to 15% of its securities within a 12 month period without the requirement to obtain shareholder approval. Whilst Shareholder approval for the issue of the Shares and Options was not required at the time of the issue, the effect of the issue is to reduce the Company's capacity to issue additional securities in the future without Shareholder approval.

ASX Listing Rule 7.4 allows an issue made by the Company without Shareholder approval under ASX Listing Rule 7.1 to be treated as having been made with approval for the purposes of ASX Listing Rule 7.1 if it is subsequently approved by Shareholders and did not breach ASX Listing Rule 7.1 at the time of issue.

The Company wishes to seek Shareholder approval for the purposes of ASX Listing Rules 7.1 and 7.4 by ratification in order to renew the Company's capacity to issue up to 15% of the securities of the Company on issue in a 12 month period. The Company is requesting Shareholders to ratify the issue of 8,250,000 Shares and 8,250,000 Options.

ASX Listing Rule 7.5 requires that the following information be provided to Shareholders when seeking an approval for the purposes of ASX Listing Rule 7.4:

- (a) the number of securities allotted was 8,250,000 Shares and 8,250,000 Options;
- (b) the Shares were issued at 10 cents each and the Options were issued for nil consideration;
- (c) the Shares issued are ordinary fully paid shares in the Company and rank equally with the Company's existing issued Shares;

- (d) the Options issued have an exercise price of 15 cents each, will expire 3 years from the closing date of [aren't we saying now that it is 3 years from the closing date of the recent rights issue i.e. 10 October 2007? If so then the details of the Options on the next page need to be amended as well] a rights issue announced to the ASX on 20 April 2007, are subject to any restrictions imposed by FIRB and otherwise the terms and conditions of the Options are set out in Schedule 1;
- (e) the Shares and Options were issued to CAMOFI Master LDC, which is not a related party of the Company; and
- (f) as announced previously, the funds raised from the issue of securities were applied towards the working capital of the Company.

7. ENQUIRIES

Shareholders are required to contact the Company Secretary on (+ 61 8) 9311 0700 if they have any queries in respect of the matters set out in these documents.

GLOSSARY

\$ means Australian dollars.

Annual General Meeting means the meeting convened by the Notice of Meeting.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Company means Pharmaust Limited (ABN 35 094 006 023).

Corporations Act means the Corporations Act 2001 (Cth).

Directors mean the directors of the Company.

Explanatory Statement means the Explanatory Statement accompanying the Notice of Meeting.

FIRB means the Foreign Investment Review Board.

Notice means the Notice of Meeting.

Option means an option to acquire a Share with the terms and conditions set out in Schedule 1.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

WST means Western Standard Time observed in Perth, Western Australia.

SCHEDULE 1 – TERMS AND CONDITIONS OF OPTIONS

The Options entitle the holder to subscribe for Shares on the following terms and conditions:

- (a) Each Option entitles the holder of that Option (**Option Holder**) the right but not the obligation to acquire Company one Share for \$0.15 (**Option Exercise Price**).
- (b) Each Option is granted for a term of 3 years commencing from the closing date of a rights issue to be conducted by the Company as announced to the ASX on 20 April 2007 (**Closing Date**).
- (c) Except as expressly provided for under these terms and conditions, the Option Holder will not have any right to participate in any subsequent offering of new securities in the Company without first exercising that Option.
- (d) The Option Holder may exercise any of its Options at any time prior to the expiry date by delivering to the Company a duly executed Option exercise form during normal business hours on any Trading Day (as defined in the ASX Listing Rules) at the Company's principal place of business and the payment of an amount equal to the Option Exercise Price multiplied by the number of Options exercised (**Option Payment**).
- (e) No later than 2 Trading Days after receipt of the Options exercise form and the Option Payment, the Company will issue such number of Shares equal to the number of Options exercised as specified in the Option exercise form.
- (f) If there is a bonus share issue to Shareholders, the number of Shares over which the Option is exercisable may be increased by the number of Shares which the Option Holder would have received if the Options had been exercised before the date on which entitlements to the issues would have been calculated.
- (g) If, prior to an exercise of an Option, any offer or invitation is made by the Company to at least all Shareholders resident in Australia for the subscription for cash with respect to the underlying securities of the Company, the Option Exercise Price may be reduced in accordance with the ASX Listing Rules.
- (h) In the event of any reconstruction (including consolidation, sub-division, reduction, or return) of the issued capital of the Company, all rights of the Option Holder will be reconstructed to the extent necessary to comply with the Listing Rules applying to the reconstruction of capital at the time of the reconstruction, subject to an appropriate adjustment being made to the Option Exercise Price of the outstanding Options such that, the total amount payable on exercise of the Options will not alter.
- (i) The Options will not be quoted and are freely transferable.
- (j) The exercise of the Options by the Option Holder will be subject to any restrictions imposed by the *Foreign Acquisitions and Takeovers Act 1975 (Cth)*.

TO LODGE A PROXY FORM:
Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia
Facsimile 61 8 9323 2033

FOR ALL ENQUIRIES CALL:
(within Australia) 08 9311 0700
(outside Australia) 61 8 9311 0700

000001 000 PAA
MR JOHN SMITH 1
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

 **FOR YOUR VOTE TO BE EFFECTIVE IT MUST BE RECEIVED BY 3.00PM WEDNESDAY 28 NOVEMBER 2007**



YOUR ANNUAL REPORT IS AVAILABLE ONLINE, SIMPLY VISIT:
www.pharmaust.com

- Access your annual report
- Review and update your securityholding

YOUR SECURE ONLINE ACCESS INFORMATION

SRN/HIN: I1234567890

POST CODE: 3030

! FOR SECURITY REASONS IT IS
IMPORTANT THAT YOU KEEP
! YOUR SRN/HIN CONFIDENTIAL.

HOW TO COMPLETE THIS PROXY FORM *Please read these notes prior to completion of the voting form.*

VOTES ON ITEMS OF BUSINESS

Voting 100% of your holding. You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

Voting a portion of your holding. You may indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. The sum of the votes cast on each item or the percentages for and against an item must not exceed your voting entitlement or 100%.

A proxy need not be a securityholder of the Company.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the proportion or number of votes each proxy may exercise, otherwise each proxy may exercise half of the votes. Fractions of votes will be disregarded. A separate Proxy Form should be used for each proxy. You can obtain additional forms by telephoning the company's share registry or you may copy this form. If you lodge two proxies please lodge both forms together.

SIGNING INSTRUCTIONS

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: to sign under Power of Attorney, you must have already lodged this document with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.


If a representative of a corporate securityholder or proxy is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained by telephoning the company's share registry or at www.computershare.com.

LODGEMENT OF A PROXY FORM. This Form (and any Power of Attorney under which it is signed) must be received at an address given above no later than 48 hours before the commencement of the meeting at 3.00pm (WST), 30 November 2007. Any Proxy Form received after that time will not be valid for the scheduled meeting.

STEP 1 APPOINT A PROXY TO VOTE ON YOUR BEHALF

I/We being a member/s of PharmAust Limited hereby appoint

the Chairman of the Meeting **OR**

 Please leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of PharmAust Limited to be held at Cliftons Conference/Seminar Facilities, Ground Floor Parmelia House, 191 St Georges Terrace, Perth, Western Australia on 30 November 2007 at 3.00pm (WST) and at any adjournment of that meeting.

STEP 2 ITEMS OF BUSINESS

PLEASE NOTE: If you mark the **Abstain** box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

	For	Against	Abstain
Item 1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 2 Re-election of Director - Mr Simon Owen	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 3 Re-election of Director - Mr Henry Gulev	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 4 Re-election of Director - Mr Bryant McLarty	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 5 Election of Director - Mr Nicholas Stretch	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 6 Election of Director - Mr Terence Hyndes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 7 Ratification of Placement to CAMOFI Master LDC	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

SIGN SIGNATURE OF SECURITYHOLDER(S) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary



I 1234567890

IND

000001 000 PAA
MR JOHN SMITH 1
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Change of name and/or address. If your name and/or address is incorrect, please mark this box and make the correction on this form. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes. *Please note, you cannot change ownership of your securities using this form.*