



30 April, 2008

The Manager
Company Announcements
Australian Stock Exchange Limited
Via Electronic Lodgement

Dear Sir/Madam

INTRODUCTION

In October 2007, in conjunction with the recent Rights Issue, the Board undertook to review all aspects of PharmAust Limited's (the "Company's") business and its assets with a view to restoring shareholder value.

Since that time a number of steps have been taken as that review progressed.

COMMONWEALTH BIOTECHNOLOGIES INC ("CBI")

In particular, and for a number of reasons, the Company's investment in Commonwealth Biotechnologies Inc was identified as an asset that was unlikely to contribute any further benefit to shareholders. The principal reasons underlying this and the circumstances surrounding that investment will be more fully discussed in a Notice of Meeting to shareholders that we expect to dispatch in the very near future.

These considerations lead to the Board writing down the value of its investment in the December 2007 accounts from the levels previously established notwithstanding no material variation in CBI's 'market value'.

Whilst this investment is the most significant asset comprising the Company's balance sheet, it contributes no demonstrable benefit to shareholders or to the future development of the Company.

In the circumstances the Board was pleased to announce the execution of an Agreement for the sale of this investment to a Chinese based chemistry services company and is confident that the realisation of this otherwise unproductive asset will open significant opportunities to the Company to deploy these funds to the advantage of shareholders.

PHARMAUST MANUFACTURING PTY LTD (“PAM”)

The Board’s review of the Company also reached the conclusion that the Company would need to continue to contribute over \$1.5 million to PAM in order for that business to approach self-sustainability.

As such it was resolved that the sale or partial sale of PAM to an existing industry player was in the best interests of shareholders. Consequently PAM was placed in voluntary administration on 4 March 2008. Ferrier Hodgson were appointed as administrators to facilitate the disposal of the business or its assets.

That process has not yet been finalised but the Company expects little, if any, return from the outcome based upon information to date. This is without taking into account the premises of 71 Division Street which are owned separately by the Company.

EPICHEM PTY LTD (“EPICHEM”)

Epichem had another strong quarter and recorded good revenues and profits, with the company experiencing strong demand for both its Discovery Services and Catalogue Sales. Epichem’s current facility at Murdoch University is operating at full capacity and discussions are currently underway to plan for its continued to growth.

CORPORATE

In light of the recent changes regarding the business of PAM and the premises at 71 Division Street from which the business operates, the Company has relocated its corporate offices to:

50 Derby Road
Subiaco WA 6008
(PO Box 9028 Nicholson Road, Subiaco, 6008)
Ph: 9380 6550
Fax: 9381 4056

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001, 24/10/2005.

Name of entity

PharmAust Limited

ABN

35 094 006 023

Quarter ended ("current quarter")

March 2008

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from customers	1,439	2,416
1.2 Payments for		
(a) staff costs	(454)	(1,628)
(b) advertising and marketing		(9)
(c) research and development		(6)
(d) leased assets		(16)
(e) other working capital	(1,271)	(2,336)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	26	42
1.5 Interest and other costs of finance paid	(23)	(99)
1.6 Income taxes paid	0	0
1.7 Other (GST)	(224)	(224)
Net operating cash flows	(507)	(1,860)

+ See chapter 19 for defined terms.

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Quarterly report for entities
admitted on the basis of commitments

	Current quarter \$A'000	Year to date (9 months) \$A'000
1.8 Net operating cash flows (carried forward)	(507)	(1,860)
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	(12)	(63)
(e) other non-current assets	-	-
1.10 Proceeds from disposal of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	-
1.11 Loans to other entities	-	-
1.12 Loans repaid by other entities	-	-
1.13 Other (provide details if material)	-	-
	(12)	(63)
Net investing cash flows		
1.14 Total operating and investing cash flows	(519)	(1,923)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	-	3,250
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	-	300
1.18 Repayment of borrowings	-	1,076
1.19 Dividends paid	-	-
1.20 Other (provide details if material)	-	-
Net financing cash flows	0	4,626
Net increase (decrease) in cash held		
1.21 Cash at beginning of quarter/year to date	1,919	(1,026)
1.22 Exchange rate adjustments to item 1.20	-	-
1.23 Cash at end of quarter	1,400	1,400

+ See chapter 19 for defined terms.

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	65
1.25	Aggregate amount of loans to the parties included in item 1.11	

1.26 Explanation necessary for an understanding of the transactions

Directors Wages & Salaries

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities		
3.2	Credit standby arrangements		

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Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	1,400	1,919
4.2 Deposits at call	-	-
4.3 Bank overdraft	-	-
4.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.23)	1,400	1,919

Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1 Name of entity		
5.2 Place of incorporation or registration		
5.3 Consideration for acquisition or disposal		
5.4 Total net assets		
5.5 Nature of business		

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does ~~not~~* (delete one) give a true and fair view of the matters disclosed.

Sign here:  Date: 30 April 2008
 (Director/Company secretary)

Print name: Sam Wright

+ See chapter 19 for defined terms.

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 1026: Statement of Cash Flows* apply to this report except for the paragraphs of the Standard set out below.
 - 6.2 - reconciliation of cash flows arising from operating activities to operating profit or loss
 - 9.2 - itemised disclosure relating to acquisitions
 - 9.4 - itemised disclosure relating to disposals
 - 12.1(a) - policy for classification of cash items
 - 12.3 - disclosure of restrictions on use of cash
 - 13.1 - comparative information
3. **Accounting Standards.** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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