

Frequently asked questions

Administrators' update to shareholders

Apollo Life Sciences Limited (Administrators Appointed)

ACN 102 084 917

ASX code: AOP ("Apollo")

Who are the Administrators?

David Young and Anthony Elkerton of Pitcher Partners were appointed as Voluntary Administrators ("the Administrators") of Apollo and five of its subsidiaries (collectively known as the Group) on 24 October 2008 by their respective Boards of Directors pursuant to section 436A of the Corporations Act 2001 ("the Act"). Mr Young and Mr Elkerton are independent, experienced practitioners.

Who controls Apollo and its assets?

Following the appointment of the Administrators the powers of the Group's officers (including directors) are suspended. The Administrators assume control of the Group's business, property and affairs.

How will shareholders be advised of the progress of the administration?

Due to the large number of shareholders, corresponding individually with shareholders is an expensive and time consuming process. Given the current financial position of the Group and the need

for the Administrators to focus on the assets and affairs of the Group, the Administrators will provide regular updates throughout the administration by way of announcements to the Australian Securities Exchange ("ASX").

What is the likely outcome for shareholders?

Given the early stage of the administration we are unable to advise the likely outcome for shareholders.

As previously advised future developments in the administration will be made by way of announcement to the ASX.

Can I sell my shares whilst Apollo is in administration?

All listed securities in Apollo were suspended on 18 March 2008. Whilst Apollo is in administration the shares will remain suspended, unless advised otherwise by way of further announcement to the ASX website.

Shareholders are unable to transfer their shares during the administration.

Section 437F of the Act states that a transfer of shares in a company, or an alteration in the status of members in a company that is made during the administration of the company is void except so far as the court orders otherwise.

Can I claim a capital loss on my shares?

Before a capital loss can be claimed the Administrators must declare the shares worthless (Income Tax Assessment Act 1997 section 104-145). In order to make such a declaration the Administrators must have reasonable grounds to believe that there is no likelihood that shareholders in the company will receive any further distribution for their shares.

At this time the Administrators are investigating the affairs of Apollo and its subsidiaries and accordingly are not in a position to make such a declaration. Any change to this position will be advised by way of further announcement to the ASX.

Shareholders should seek independent taxation advice in relation to their shareholding and personal financial circumstances. It would be inappropriate for the Administrators to provide such advice to shareholders.

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How does an administration work?

The following table sets out the standard timetable for the conduct of an Administration:

Days from Appointment	Event	Comment
0	Appointment date	Administrators assume control of the company.
8 business days	First meeting of creditors	Creditors meet to discuss the reasons for the appointment, decide whether or not to appoint a committee of creditors and to confirm the appointment of the Administrators.
From appointment onwards	Investigations	Administrators conduct investigations into the business, property, affairs and financial circumstances of the company.
Usually 20 business days	Convene second meeting of creditors	Administrators issue: <ol style="list-style-type: none">1. Notice of Meeting; and2. Section 439A Report to Creditors.
Usually within 25 business days	Second meeting of creditors	Creditors vote to: <ol style="list-style-type: none">1. End the Administration; or2. Enter into a Deed of Company Arrangement; or3. Place the company into liquidation. The second meeting can be adjourned for a period of up to 45 business days.

NB: Shareholders should note that the above mentioned meetings and reports are for creditors only in accordance with the Act.

Who can I contact for more information?

The Administrators will provide further updates by way of announcements to the ASX. Shareholders are requested to refrain from contacting the Administrators' office at this time to allow the Administrators and their staff to focus on the assets and affairs of Apollo and achieve the best possible outcome for all parties concerned.

Any urgent queries should be directed to Pitcher Partners Sydney.



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