

ASX Announcement

14 October 2011

**CathRx Ltd Announces Capital Raising****Non Renounceable 1 for 7 Entitlement Offer**

CathRx Ltd ACN 089 310 421 (**Company**) is pleased to announce a fully underwritten non renounceable pro-rata entitlement offer of approximately 20,468,560 new fully paid ordinary shares (**New Shares**) to raise approximately \$2 million (**Entitlement Offer**).

The net proceeds of the Entitlement Offer will be used primarily to fund working capital and to continue the development and testing of CathRx's high growth product opportunities.

The Entitlement Offer is being made to shareholders as at 7:00 pm on 24 October 2011 (**Record Date**) with a registered address in Australia or New Zealand and certain professional and sophisticated investors outside of Australia and New Zealand who do not require a disclosure document in their jurisdiction (**Eligible Shareholders**).

The Entitlement Offer gives Eligible Shareholders the opportunity to participate in the Entitlement Offer on the basis of 1 new ordinary share for every 7 ordinary shares held at the Record Date at an issue price of \$0.10 (**Offer Price**).

The Offer Price of \$0.10 per share represents a discount of 33.33% to the closing price of the Company's shares on ASX on the last trading day before the announcement of the Entitlement Offer (being \$0.15).

The Entitlement Offer is non-renounceable and as such Eligible Shareholders will not be entitled to trade or sell their entitlements. Any entitlements to New Shares not taken up will lapse and will form part of the shortfall. Shareholders will receive no payment for entitlements not taken up.

The Entitlement Offer is fully underwritten by Cybotel Industries Sdn Bhd. The Company will pay the Underwriter a fee of 3% of the amounts raised.

Details of the Entitlement Offer are contained in the Offer Booklet, a copy of which was lodged with the ASX today, and which will be sent to all eligible shareholders, together with a personalised Entitlement and Acceptance Form. A copy of the Offer Booklet is available at www.cathrx.com and on www.asx.com.au.

The Company has applied for quotation of the New Shares. Please refer to the Appendix 3B filed with the ASX for detailed information in relation to the Entitlement Offer.

The number of issued shares at the date of this notice and the approximate total number of issued shares following the Entitlement Offer are as follows:

Number of Shares currently on issue and quoted on ASX	143,279,920
Approximate maximum number of New Shares offered in the Entitlement Offer	20,468,560
Approximate maximum number of Shares on issue upon completion	163,748,480

The New Shares issued under the Entitlement Offer will be fully paid ordinary shares ranking equally in all respects with fully paid ordinary shares in the Company already on issue.

It is proposed that the Entitlement Offer will be conducted according to the following indicative table:

Event	Indicative Date
Shares trade 'ex-entitlements' – the date from which shares commence trading without the entitlement to participate in the Entitlement Offer	18 October 2011
Record Date to determine entitlements	24 October 2011
Anticipated despatch of Offer Booklet and personalised Entitlement and Acceptance Forms	25 October 2011
Closing Date. Last day for acceptance and payment in full	9 November 2011
Expected date for despatch of holding statements for New Shares	17 November 2011
Expected date for commencement of trading of new shares	18 November 2011

These dates are indicative only and subject to change.

Eligible Shareholders should read all the information set out in the Offer Booklet, including the summary risk factors set out in section 7 of the Offer Booklet. If you have any queries, please consult your professional adviser.

Yours sincerely



Mr Cameron Billingsley
Company Secretary