



ASX Code: SIP

7 July 2010

ASX ANNOUNCEMENT

Formal Proposal from Aspen Group

Sigma Pharmaceuticals Limited advises that it has received a formal proposal to acquire all of the issued share capital of Sigma for cash at a price per Sigma share of A\$0.55 from the Aspen Pharmacare Holdings Limited group of companies (**Aspen Group**).

It has proposed that the transaction will be implemented via a scheme of arrangement.

The proposal is subject to a number of conditions, being:

- Aspen Group's satisfaction with its continuing due diligence investigations
- provision of finance for the acquisition of the Sigma shares on terms satisfactory to Aspen Group
- Sigma's current lending facilities remaining in place on principally the same terms and with the same security position which currently exists, with amendments relating to existing debt repayment requirements
- execution of a scheme implementation agreement reflecting the commercial terms of the offer and other terms satisfactory to each party, including certain warranties, 'no talk' and 'no shop' provisions and provisions entitling Aspen Group to a break fee on termination for certain reasons
- extension of the recently expired exclusivity arrangements to 2 August 2010
- no termination or amendment of certain material contracts as a consequence of the potential change in control of Sigma
- shareholder and court approvals for a scheme of arrangement
- regulatory approvals
- no material adverse change occurring from 30 June 2010
- no 'prescribed occurrences' (being the matters referred to in section 652C of the Corporations Act)
- no other adverse or value affecting events or external event conditions (such as material decreases in stock exchange indices).

The Sigma Board is considering the proposal and recommends that shareholders take no action at this stage. Sigma expects to make a further announcement in relation to the proposal in due course.

Sue Morgan-Dethick
General Counsel & Company Secretary

SIGMA PHARMACEUTICALS LIMITED
ABN 15 088 417 403

Locked Bag 268 (96 Merrindale Drive) Croydon Victoria 3136 Australia
Telephone: (+61-3) 03-9839 2800 Facsimile: (+61-3) 03-9839 2811