




Antisense Therapeutics Limited

ABN 41 095 060 745



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

3 November 2010

Dear Shareholder

Antisense Therapeutics Limited – Underwritten pro rata renounceable rights issue

On 1 November, 2010 Antisense Therapeutics Limited (**Antisense**) announced a capital raising of approximately \$2.4 million by way of an underwritten pro rata renounceable rights issue (**Rights Issue**) of 1 fully paid ordinary share in Antisense (**New Share**) at 0.8 cents per New Share for every two Antisense ordinary shares held at the record date of 7.00pm on Wednesday 10th November 2010 (**Record Date**). One free attaching option (exercisable at 1.1 cents and expiring on 31 July 2012) (**New Option**) will be issued with every five New Shares.

On 1 November the company lodged a prospectus (Prospectus) with ASX Limited (ASX) and the Australian Securities and Investment Commission (ASIC) for the Rights Issue.

A copy of the Prospectus will be mailed on 16 November 2010 to all shareholders who hold shares on the Record Date (Shareholder). An electronic copy of the prospectus will be made available on Antisense's website at www.antisense.com.au.

The Rights Issue is open to eligible Antisense shareholders on the share register as at 7.00pm (AEST) on 10 November 2010 with registered addresses in Australia and New Zealand. All other shareholders with registered addresses outside Australia and New Zealand are not eligible to participate in the Rights Issue.

Entitlements to New Shares pursuant to the Rights Issue are renounceable and will be traded on the ASX. Under the Rights Issue, eligible shareholders can choose whether or not to take up their entitlement in whole or in part. Shareholders who do not participate in the Rights Issue may sell their entitlements on the ASX. If shareholders take no action, they will not be allocated New Shares and their entitlements will lapse.

The New Shares will rank equally with the existing ordinary shares from the date of issue. Antisense currently has 592,327,999 ordinary shares and 9,860,000 options on issue. If the Rights Issue is fully subscribed and current optionholders exercise all of their options before the Record Date, 301,094,000 New Shares and 60,218,800 New Options will be issued. If current optionholders do not exercise any of their options before the Record Date, 296,164,000 New Shares and 59,232,800 New Options will be issued.

The indicative timetable for the Rights Issue is as follows:

Event	Date
Notice of Issue sent to Eligible Shareholders	3 November 2010
Shares trade 'ex-rights' and Rights trading commences on ASX	4 November 2010
Record Date to determine Entitlements under the Rights Issue	10 November 2010
Prospectus and Application Form despatched	16 November 2010
Last day of Rights trading	25 November 2010
Closing Date for acceptances of Entitlements	2 December 2010
Allotment and Despatch Date	10 December 2010
Trading of New Shares and New Options expected to commence	13 December 2010

** The dates and times set out above are indicative only and subject to change.*

Further information in relation to Antisense's activities and the Rights Issue is available on the Company's website at www.antisense.com.au.

For and on behalf of Antisense Therapeutics Limited



Phillip Hains
Company Secretary

3 November 2010

Dear Shareholder

Antisense Therapeutics Limited – Underwritten pro rata renounceable rights issue

On 1 November 2010 Antisense Therapeutics Limited (**Antisense**) announced a capital raising of approximately \$2.4 million by way of an underwritten pro rata renounceable rights issue (**Rights Issue**) of 1 fully paid ordinary share in Antisense (**New Share**) at 0.8 cents per New Share for every two Antisense ordinary shares held at the record date of 7.00pm on 10th November 2010 (**Record Date**). One free attaching option (exercisable at 1.1 cents and expiring on 31 July 2012) (**New Option**) will be issued with every five New Shares.

Antisense will issue a prospectus under section 713 of the *Corporations Act 2001* (Cth) for the Rights Issue to eligible Antisense shareholders and a copy of the prospectus will be made available on Antisense's website at www.antisense.com.au.

The Rights Issue is only available to eligible Antisense shareholders who:

- are registered holders of Antisense shares as at 7:00pm (AEST) on the Record Date;
- have a registered address in Australia or New Zealand as at the Record Date; and
- are eligible under all applicable securities laws to receive an offer under the Rights Issue.

As you do not satisfy the criteria stated above, you are deemed not to be an eligible Antisense shareholder for the purposes of the Rights Issue and Antisense is unfortunately unable to extend to you the opportunity to participate in the Rights Issue. Under the terms of the Rights Issue, you are not eligible to apply for New Shares.

However, as the Rights Issue is renounceable, Antisense has appointed the underwriter to the Rights Issue, Patersons Securities Limited (**Underwriter**) as nominee to sell the rights to New Shares that you would have been entitled to if you were an eligible Antisense shareholder. Therefore, you may receive value for these entitlements subject to the following:

- the Underwriter will only sell your rights if there is a viable market in the rights and a premium over the expenses of sale can be obtained;
- any such sale will be at a price and be conducted in a manner that the Underwriter will determine in its absolute discretion;

- the proceeds of sale (in Australian dollars) will be distributed to non-eligible Antisense shareholders for whose benefits the rights have been sold in proportion to their shareholdings as at the Record Date (after deducting the costs of the sale and the distribution of the proceeds), save that individual amounts of less than \$10 will be retained by Antisense;
- neither Antisense nor the Underwriter will be liable for any failure to sell your rights or to sell your rights at any particular price; and
- if there is no viable market for your rights, your entitlement will be allowed to lapse and the relevant New Shares will revert to the Underwriter and will form part of the shortfall under the Rights Issue.

This notice is to inform you about the Rights Issue and is not an offer to issue New Shares to you, nor an invitation for you to apply for New Shares. You are not required to do anything in response to this letter.

The restrictions upon eligibility are because of the legal limitations in some countries, the relatively small number of shareholders there, the small number of securities they hold and the potential cost of complying with regulatory requirements in those countries. Antisense has determined, pursuant to Listing Rule 7.7.1(a) of the ASX Listing Rules, that it would be unreasonable to make offers to shareholders in all countries in connection with the Rights Issue. Accordingly, in compliance with ASX Listing Rule 7.7.1(b), Antisense wishes to advise you that it will not be extending the Rights Issue to you and you will not be able to subscribe for New Shares under the Rights Issue.

Further information in relation to Antisense's activities and the Rights Issue is available on the Company's website at www.antisense.com.au.

By order of the Board



Phillip Hains
Company Secretary