



Ascent Pharmahealth Ltd
ABN 52 107 340 367

151-153 Clarendon Street
South Melbourne
Victoria 3205
Australia

Tel: +61 3 8677 6660
Fax: +61 3 8677 6666

www.ascentpharmahealth.com.au

29 July 2009

Alice Cope
ASX Markets Supervision Pty Ltd
20 Bridge Street
Sydney NSW 2000

Dear Alice

Ascent Pharmahealth Ltd (the “Company”) - Updated Corporate Governance Statement

We refer to your letter dated 9 July 2009 and attach an updated Corporate Governance Statement (**Updated Statement**) for release to the market.

The Updated Statement reflects the corporate governance policies of the Company as at the current date, by reference to the 2nd Edition of the ASX Corporate Governance Council's Guidelines released August 2007.

The Board of the Company is committed to achieving and demonstrating a high standard of corporate governance and the Updated Statement discloses the extent of the Company's compliance with each recommendation of the ASX Corporate Governance Council's Guidelines.

Please contact me if you have any queries regarding the attached.

Kind Regards

A handwritten signature in black ink, appearing to be "A. Burgess", written in a cursive style.

Andrew Burgess
Company Secretary
Ascent Pharmahealth Ltd

Ascent Pharmahealth Ltd
Corporate Governance Statement - as at 29 July 2009

The Board of directors of Ascent Pharmahealth Limited (the **Company**) is responsible for the corporate governance of the Company. The Board guides and monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable.

The Board is committed to achieving and demonstrating the highest standard of corporate governance. The Board has adopted the following policies and practices, establishing a framework for the Board to fulfil its duties and obligations on behalf of shareholders.

The Company's corporate governance practices are structured to reflect the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations 2nd Edition (**ASX Recommendations**). The Company's corporate governance policies are compliant with the ASX Recommendations, except for Recommendation 2.1 (refer to *Structure of the Board*).

In each section below comments are made in relation to the Company's compliance with each principle of the ASX Recommendations, which are as follows:

- Principle 1:** Lay solid foundations for management and oversight
- Principle 2:** Structure the Board to add value
- Principle 3:** Promote ethical and responsible decision-making
- Principle 4:** Safeguard integrity in financial reporting
- Principle 5:** Make timely and balanced disclosure
- Principle 6:** Respect the rights of shareholders
- Principle 7:** Recognise and manage risk
- Principle 8:** Remunerate fairly and responsibly

Any reference to the Company's website in this Corporate Governance Statement refers to www.ascentpharmahealth.com.au.

ROLE OF THE BOARD – SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

The Board is ultimately responsible for setting the strategic direction of the Company and overseeing its management processes. The Board aims to create and deliver long-term shareholder value by maximising the performance of the business within an appropriate risk framework.

Whilst there is an ongoing interaction between the Board and management, the Board functions independently of management to establish the policy framework of the Company from which management works to perform the daily functions of the business.

The key governance principles adopted by the Board and the division of responsibilities between the Board and senior executives are set out in the Board Charter published on the Company's website.

ASX Recommendations 1.1 & 1.3

STRUCTURE OF THE BOARD

The Company has a six member Board comprising five non-executive Directors (including the Chairman) and the Chief Executive Officer.

The independent Directors (which include the Chairman) of the Board are:

Dr Roger Aston	Non-Executive Chairman
Warren .J. Jenkins	Non-Executive Director
Thomas. J.R. O'Brien	Non-Executive Director

The non-independent Directors of the Board are:

Dennis Bastas	Managing Director and Chief Executive Officer
Ravi Seth	Non - Executive Director
Arun Kumar	Non - Executive Director

The roles of Chairman and Chief Executive Officer are not exercised by the same individual.

The Company has adopted a definition of "independence" which is consistent with the ASX Recommendations, meaning free from any management role, business interest or other relationship that could, or could be perceived to, materially interfere with the exercise of an unfettered and independent judgment.

Applying this definition, the Board currently has an equal number of independent and non-independent Directors and therefore does not comply with ASX Recommendation 2.1. However, the Company considers that the industry experience and specific expertise of the current Directors are important attributes in maintaining the efficiency of the Board.

The Directors together possess a broad range of skills, experience, expertise and qualifications which, together with details of each Directors term in office, are set out in the Director's Reports of the Company's Annual Reports.

There are procedures in place, agreed by the Board, to enable Directors in furtherance of their duties to seek independent professional advice at the Company's expense.

ASX Recommendations 2.1, 2.2, 2.3 & 2.6.

Ascent Pharmahealth Ltd
Corporate Governance Statement - as at 29 July 2009

ETHICAL AND RESPONSIBLE DECISION MAKING

Code of Conduct

The Company is committed to upholding sound legal, moral and ethical standards in all of its corporate activities. The Board has adopted a Code of Conduct which applies to all Directors, executives and employees of the Company. The Code of Conduct promotes a set of values which aim to set high standards for ethical behaviour, business practice and compliance with legal obligations for all dealings between employees and with competitors, customers and the community. The Code of Conduct is available on the Company's website.

Trading Policy

The Board has established a policy relating to trading in Company securities by Directors, senior executives and employees of the Company. In summary, the Share Trading Policy prohibits the trading of Company shares by relevant persons in possession of non-public price sensitive information. It also prohibits short-term trading and confines any dealings in Company shares to a period of one month after the release of the full and half year results.

ASX Recommendation 3

AUDIT AND RISK MANAGEMENT COMMITTEE

The Board has established an Audit and Risk Management Committee which operates under a charter adopted by the Board. A copy of the Audit and Risk Charter can be viewed on the Company's website.

The current members of the Audit and Risk Management Committee are T.J.R O'Brien (Chairman of the Audit and Risk Management Committee), W.J. Jenkins, R. Aston and R.Seth.

In compliance with the ASX Recommendations, all four members of the Audit and Risk Management Committee are non-executive Directors, the majority of them are independent and the Committee is chaired by T.J.R O'Brien who is not the Chairman of the Board.

The Audit and Risk Management Committee has instructed management to design and implement a risk management and internal control system to manage Ascent's material business risks. The Board has received reports from management on the effectiveness of the Company's risk management.

The Board annually reviews the insurance policies of the Company and is immediately alerted of any material breakdowns in internal control.

The Audit and Risk Management Committee advises the Board on the appointment of external auditors who demonstrate quality and independence. The performance of the external auditor is reviewed annually. An analysis of fees paid to the external auditor, including a breakdown of non-audit services, is provided annually in the financial statements.

The Board also receives assurances from the Chief Executive Officer and Chief Financial Officer through the Audit and Risk Management Committee that their respective declarations provided in accordance with section 295A of the Corporations Act are founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

ASX Recommendations 4 & 7.

CONTINUOUS DISCLOSURE AND COMMUNICATIONS TO STAKEHOLDERS

The Board is committed to ensuring that all shareholders, the market and other legitimate stakeholders are informed in a timely manner of material developments that affect the company. The current practice of the Company is consistent with the ASX Recommendations.

The Board is committed to communicating to shareholders regularly and clearly through the distribution of the annual report, half-yearly report, AGM, ASX announcements and media releases. All Company announcements and other significant briefings made by the Company (except disclosures of a compliance nature) are posted on the Company's website after release to the ASX. The Company Secretary is responsible for communications with the ASX.

The Company encourages shareholders to attend and participate at general meetings and welcomes questions from shareholders at any time. Shareholder questions will be answered within the confines of information that is not market sensitive or is already in the public domain.

The external auditor is asked to attend the annual general meeting to answer questions concerning the conduct, preparation and content of audit reports.

Policies and procedures for disclosure in compliance with the ASX Listing Rules and communications to shareholders are included in the Company's Communications and Continuous Disclosure Policy which can be viewed on the Company's website.

ASX Recommendations 5 & 6.

Ascent Pharmahealth Ltd
Corporate Governance Statement - as at 29 July 2009

PERFORMANCE AND REMUNERATION

The current members of the Remuneration and Nomination Committee are W.J. Jenkins (Chairman of the Remuneration and Nomination Committee), T.J.R O'Brien, R. Aston and A. Kumar.

The purpose of the Remuneration and Nomination Committee is to provide the Board of the Company with advice and recommendations which enable the Board to:

- (1) consider the appointment, re-election, performance evaluation processes and competencies of the Board and individual Directors;
- (2) set in place remuneration policies which are designed to attract and retain senior executives and Directors with the expertise to enhance the performance and growth of the Company; and
- (3) ensure that the level and composition of remuneration packages are fair, reasonable and adequate and, in the case of executive Directors and senior executives, display a clear relationship between the performance of the individual and the performance of the Company.

The Remuneration and Nomination Committee considers the remuneration and performance of the Board members, Chief Executive Offer, Directors and senior executives, as well as the structure of fees paid to non-executive Directors. It is the Company's intention that the Remuneration and Nomination Committee review the performance of the Board at least once every 18 months and Directors or executives on an annual basis. The Remuneration and Nomination Committee provides its final recommendation to the Board for approval.

Details of meeting attendances and the amount of remuneration, including monetary and non-monetary components, for each Director and senior executive are set out in the Director's Reports of the Company's Annual Reports.

The performance criteria against which the Directors and key management personnel are assessed are aligned with the financial and non-financial objectives of the Company.

ASX Recommendations 1.2, 1.3, 2.4, 2.5 & 8.



ASX Markets Supervision Pty Ltd
ABN 26 087 780 489
20 Bridge Street
Sydney NSW 2000
PO Box H224
Australia Square
NSW 1215

Telephone 61
Facsimile 61
www.asx.com.au

9 July 2009

Mr Andrew Burgess
Chief Financial Officer
Ascent Pharmahealth Limited
151-153 Clarendon Street
South Melbourne VIC 3205

By Email

Dear Andrew,

Ascent Pharmahealth Limited (the "Company")

We refer to the Company's annual report for the year ended 30 June 2008 ("Annual Report") and in particular to the Company's disclosures about its corporate governance practices.

Listing rule 4.10.3 requires that an entity include in its annual report:

"A statement disclosing the extent to which the entity has followed the best practice recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed all of the recommendations the entity must identify those recommendations that have not been followed and give reasons for not following them. If a recommendation had been followed for only part of the period, the entity must state the period during which it had been followed."

ASX Markets Supervision (ASXMS) has reviewed the corporate governance disclosures in the annual reports of all entities. Upon our review of the Company's Annual Report, ASXMS could not identify a statement in the annual report confirming whether the Company had followed or not followed the following recommendations of the Council:

- Recommendations 1.1, 3.1, 3.2, 3.3, 5.1, 5.2, 6.1, 6.2, 7.1, 7.2, 7.3 and 10.1

ASXMS attaches particular importance to encouraging a consistently high standard of listed entities' disclosures about the Council's corporate governance recommendations.

ASXMS contacted the Company with regard to its disclosure in respect of the corporate governance recommendations following review of the Company's 2007 annual report. Either the Company agreed that it had not made the necessary disclosure in relation to the corporate governance recommendations or upon review by ASXMS it has been determined that adequate disclosure had not been made. ASXMS required the Company to confirm by letter that the Company's board was apprised of the fact that the corporate governance disclosure in the 2007 annual report was deficient for the purposes of complying with listing rule 4.10.3, and

that the Company undertook to ensure that its disclosures under listing rule 4.10.3 in its annual report for the year ending 30 June 2008 would address whether the Company has adopted each one of the Council's recommendations, and, where the Company has not adopted one, given the Company's reasons for not having adopted that recommendation.

In light of the Company's non-disclosure in respect of the abovementioned corporate governance recommendations in its Annual Report, ASXMS requires that the Company make additional disclosure to the market in compliance with listing rule 4.10.3 about the extent to which the Company has followed or not followed each one of the recommendations of the Council.

The additional disclosure should be sent to me by e-mail at Alice.Cope@asx.com.au or by facsimile on facsimile number (03) 9614 0303. It should not be sent to the Company Announcements Office. This is requested as soon as possible and, in any event, not later than **9.30am A.E.S.T. on Friday, 17 July 2009**.

Under listing rule 18.7A, a copy of this letter and the additional disclosure will be released to the market, so your response should be presented in a suitable form.

Should the Company fail to do so, ASXMS may consider suspending the Company's securities from quotation until the Company releases to the market a corporate governance statement that discloses the required information.

We remind you that (with the exception of Recommendation 4.2, the audit committee recommendation, which is mandatory for the top 300 entities under listing rule 12.7) reporting on the Company's corporate governance practices is on an "if not, why not" basis. The Company is not obliged to have adopted any particular recommendation of the Council, only to report on whether it has followed each recommendation, and, where it has not followed a recommendation, to give its reasons for not having adopted that particular recommendation.

If you have any queries about this letter, or about the Council's recommendations and the Company's reporting obligations in relation to those recommendations, please contact me immediately.

Yours sincerely,

Sent electronically without signature

Alice Cope
Adviser, Issuers (Melbourne)