

11 June 2010

The Manager
Company Announcements
ASX Limited
Level 6 Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir / Madam

*Process update to shareholders on proposal
to acquire remaining shares in APH by Strides Arcolab Limited*

Ascent Pharmahealth Ltd (**ASX:APH**) through the Independent Board Committee (**IBC**), led by the Chairman Dr Roger Aston, are continuing discussions with Strides Arcolab Limited (**Strides**) in relation to a scheme of arrangement to acquire remaining shares in APH at a price of \$0.35 cash per share. As stated in the update to shareholders announced on 4 May, the IBC's willingness to progress the Strides proposal remains subject to:

- Strides securing binding finance arrangements in respect of the transaction;
- formal transaction documents being entered into by APH and Strides;
- receipt by the Independent Board Committee of a favourable independent expert's report; and
- no receipt by APH of a superior proposal.

Strides has informed the IBC that although progress has been made with regards to securing the necessary binding finance arrangements to proceed with the transaction, this process remains incomplete and is expected to continue for an additional few weeks. Given the latest status of discussions between the parties, it is not anticipated that a transaction will be implemented prior to September.

Whilst the IBC is continuing its discussions with Strides, the IBC notes that there is no formal agreement in place with Strides, and the IBC's willingness to progress the Strides proposal remains conditional. It should not be assumed that negotiations with Strides will result in a completed transaction. APH will continue to keep its shareholders informed and will make further announcements in the event of any of the above noted conditions being satisfied, or any other material transaction developments.

Yours sincerely

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

Andrew Burgess
Company Secretary and Chief Financial Officer
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