

18 November 2010

Dear Optionholder,

Non-Renounceable Rights Issue – Notice to Optionholders

This letter is to notify you that on 18 November 2010 Tyrian Diagnostics Limited (**Tyrian**) announced that it is seeking to raise approximately \$4 million by undertaking a 1:1 non-renounceable rights issue of 498,516,341 shares at an issue price of 0.8 cents (**New Shares**) with one new option (exercisable up to 20 December 2013 at 1.2 cents per option) attaching to every five new shares subscribed for (the **Offer**).

Purpose of the Offer

The primary purpose of the Offer is to provide funding to build on Tyrian's existing diagnostic product portfolio for agriculture and growing recurring revenue stream, and to exploit the company's expertise in sputum-based diagnostics to develop a pipeline of higher value point-of-care products for chronic respiratory disease. Specifically, the funds will be used to:

- a) Establish suitable partners to expand the DiagnostIQ agricultural product portfolio.
- b) Support business development activities to identify a commercialisation partner/s for the development of Tyrian's intellectual property in tuberculosis diagnostics.
- c) Advance development of the first sputum-based point-of-care tests for chronic respiratory disease, which will include some adaptation of the DiagnostIQ device for clinical applications.
- d) Provide working capital.

Underwriting of Offer

The Offer is fully underwritten by Patersons Securities Limited (**Patersons**). Patersons will receive an advisory fee of \$60,000 and an underwriting fee equal to 5% of the amount raised plus 99,703,268 options exercisable up to 20 December 2013 at 1.2 cents per option to be issued to Patersons or its nominees.

Prospectus and Offer details

Details of the Offer can be found in the Prospectus lodged with ASIC and ASX on 18 November 2010 which is available from www.tyriandx.com or www.asx.com.au by searching Tyrian's ASX code "TDX". The Offer is being made only to Eligible Shareholders (as described below) and the Company will be despatching a Prospectus and Entitlement and Acceptance Form to Eligible Shareholders in accordance with the timetable below.

The Offer is non-renounceable, which means that rights to participate in the offer cannot be sold and therefore to the extent that shareholders entitled to participate in the offer do not take up their

rights, those rights will lapse. Eligible Shareholders may also apply for additional New Shares over and above their entitlement.

The New Shares issued pursuant to the Offer will rank equally in all respects from the date of allotment with existing fully paid ordinary shares. Fractional entitlements will be rounded up to the nearest whole new share.

Timetable

Summary of Principal Dates	
Announcement of Offer	18 November 2010
Lodgement of Prospectus	18 November 2010
Securities quoted on an “ex” basis	22 November 2010
Record Date to determine entitlements to the New Shares	26 November 2010
Prospectus and Entitlement and Acceptance Forms Despatched	29 November 2010
Offer opens	29 November 2010
Closing date for acceptance and payment of subscription price	13 December 2010
Shortfall notification	16 December 2010
Allotment of New Securities	21 December 2010
Despatch of holding statements for New Securities	21 December 2010
Normal trading of New Shares on the ASX expected to commence by no later than	22 December 2010

All dates are subject to change and accordingly are indicative only. The Company reserves the right, subject to the Corporations Act and the ASX Listing Rules, to amend this indicative timetable and in particular, to extend the Closing Date or to withdraw the Offer without prior notice. Any extension of the Closing Date will have a consequential effect on the date of allotment and issue of New Shares.

Eligible Shareholders

The following shareholders are entitled to participate in the Offer:

- (a) shareholders registered as holders of shares at the Record Date with a registered address in Australia or New Zealand; and
- (b) certain shareholders registered as holders of shares at the Record Date who are resident in other jurisdictions who contact or are contacted by the Company and can demonstrate to the satisfaction of the Company that their participation in the Offer would not constitute a violation of applicable securities laws in that jurisdiction. The Company may contact shareholders with a registered address in the United States if they are “accredited investors” and it considers they are eligible to take up New Shares under the Offer. If you are a US “*accredited investor*” and would like to participate in the Offer, you should contact the Company Secretary on + 61 2 8877 8947.

The above shareholders are referred to as **Eligible Shareholders**. All other shareholders are referred to as **Ineligible Shareholders** and they are not entitled to participate the Offer.

Optionholders

Your holding of options in Tyrian does not entitle you to participate in the Offer unless you exercise your options, and are entered into the register as a shareholder, on or before the Record Date. If you wish to participate in the Offer in respect of options which you hold, you will need to exercise those options and pay the current exercise price in accordance with the terms of your options well in advance of the Record Date to ensure that you are registered as a shareholder at that date. The exercise price of your options is 3 cents. The closing price of Tyrian's shares on 12 November 2010 was 1.2cents.

If you do not wish to participate in the Offer (in respect of your options) you do not need to take any action in respect of your options prior to the Record Date.

You should consider the Prospectus in deciding whether to participate in the Offer. Anyone who wants to participate in the Offer will need to complete the application form that will be in, or will accompany, the Prospectus.

If you have any questions relating to the Offer please contact Patersons Securities Limited on +61 2 8238 6222.

The directors of the Company urge you to read the Prospectus carefully and seek advice from your professional advisers if you have any questions.

Yours sincerely,



Roger Amos
Chairman