

Universal Biosensors Inc
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23 July 2015

No drawdown of additional funds under the Athyrium term loan facility

Universal Biosensors, Inc. (ASX: UBI) announced today that it has chosen not to draw down any additional funds under the term loan facility provided by investment funds managed by Athyrium Capital Management, LP ("Athyrium"), a US-based investment adviser.

Although Universal Biosensors has met the commercial conditions required under the Athyrium loan agreement to draw down an additional US\$10 million, the Company has decided not to take up the additional debt funding.

The Company had cash reserves of A\$10.72 million at 30 June 2015, noting that an additional A\$8.22 million was received on 9 July 2015 from the R&D tax rebate.

Paul Wright, CEO of Universal Biosensors said, *"Encouraged by the strong revenue growth we have seen over the past 12 months, the Company will continue to focus on managing cash reserves and achieving a cash breakeven point as early as possible, while continuing to invest in valuable new product development opportunities that maximise value for shareholders."*

In December 2013, Universal Biosensors entered into a five year term loan with investment funds managed by Athyrium of up to US\$25 million. Under the arrangement, Universal Biosensors drew down US\$15 million upfront and had the option to draw down two further tranches each of US\$5 million if certain commercial conditions were achieved prior to 30 January 2015. In January 2015, Athyrium extended UBI's option to draw down a further US\$10 million until 31 July 2015. This extension provided the Company with further opportunity to monitor revenue development and assess its cash position.

The Company's decision not to drawdown the additional Athyrium debt has no impact on the Credit Agreement or any other loan documents, which shall continue in full force and effect on all existing terms and conditions. The key commercial terms of the loan facility are described in the ASX announcement dated 20 December 2013 (<http://www.asx.com.au/asxpdf/20131220/pdf/42lrjyshgfjzvl.pdf>).

Ends

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About Universal Biosensors

For additional information in relation to Universal Biosensors, refer to <http://www.universalbiosensors.com>.

Universal Biosensors is a specialist medical diagnostics company, founded in 2001, that is focused on the development, manufacture and commercialisation of a range of in vitro diagnostic tests for point-of-care use. These tests capitalise on a technology platform which uses a novel electrochemical cell that can be adapted for multiple analytes and provide for enhanced measurements in whole blood.

Forward-Looking Statements

The statements contained in this release that are not purely historical are forward-looking statements within the meaning of the Exchange Act. Forward-looking statements in this release include statements regarding our expectations, beliefs, hopes, intentions or strategies regarding the proposed offering. All forward-looking statements included in this release are based upon information available to us as of the date hereof, and we assume no obligation to update any such forward-looking statement as a result of new information, future events or otherwise. Our actual results could differ materially from our current expectations. We cannot assure you when, if at all, the proposed offering will occur, and the terms of any such offering are subject to change. Factors that could cause or contribute to such differences include, but are not limited to, factors and risks disclosed from time to time in reports filed with the SEC.

About Athyrium Capital Management

Athyrium Capital Management, LP ("Athyrium") is a specialized asset management company formed in 2008 to focus on investment opportunities in the global healthcare sector. Athyrium manages funds with committed capital in excess of \$1.7 billion. The Athyrium team has substantial investment experience in the healthcare sector across a wide range of asset classes including public equity, private equity, fixed income, royalties, and other structured securities. Athyrium invests across all healthcare verticals including biopharma, medical devices and products, and healthcare focused services. The team partners with management teams to implement creative financing solutions to companies' capital needs. For more information, please visit www.athyrium.com.