

# Report of Organizational Actions Affecting Basis of Securities

OMB No. 1545-2224

► See separate instructions.

## Part I Reporting Issuer

1 Issuer's name  <b>Novogen Limited</b>		2 Issuer's employer identification number (EIN)	
3 Name of contact for additional information  <b>Robert Birch</b>	4 Telephone No. of contact  <b>00 111 61 2 9473 0344</b>	5 Email address of contact  <b>Robert.Birch@novogen.com</b>	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact  <b>16-20 Edgeworth David Avenue</b>		7 City, town, or post office, state, and Zip code of contact  <b>Hornsby, NSW 2077, Australia</b>	
8 Date of action  <b>25 January 2013</b>		9 Classification and description  <b>Stock distribution</b>	
10 CUSIP number  <b>55279B103</b>	11 Serial number(s)	12 Ticker symbol  <b>MEIP</b>	13 Account number(s)

## Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ► **Novogen Limited distributed on a pro-rata basis all the shares it owned in MEI Pharma to shareholders who owned Novogen shares or ADR's as of the US Record Date of 19 November 2012. Before the distribution, Novogen owned about 67% of MEIP. The distribution took place in Australia on 27 November 2012 but was delayed in the US while MEIP completed a 1 for 6 stock split. NVGN ADR's continued to trade with their MEIP entitlement attached, until NASDAQ set the "ex-date" as 28 January 2013. This document uses 25 January 2013 as the Distribution date in the US. The distribution (post-split) was 5 MEIP for every 7 NVGN, or 0.71429 per NVGN. The average price of post-split MEIP shares on 25 January 2013 was US\$5.975**  
**This is a revision of Form 8937 originally published for this distribution, which we had first classified as a Demerger under US tax law. We now believe the distribution was a Dividend under 26 USC 301. As Novogen had no current or accumulated profits or earnings to distribute, we believe that no Dividend need be declared as Assessable Income and that the Fair Market Value of MEIP shares on 25 January 2013 constitutes a Capital Return that can be used to reduce the cost basis of NVGN ADR's toward zero, with any excess amount becoming a Capital Gain.**

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ► **We are not tax experts. Under no circumstance should this communication be construed as tax advice. We strongly encourage investors to consult a tax expert.**  
**Because Novogen owned less than 80% of MEI Pharma, the distribution does not appear to fulfil the US requirements of a Demerger under 26 USC 355. Based on 26 USC 301, we believe the following to be true:**  
• **The distribution was a Dividend for tax purposes.**  
• **Using the average price on 25 January 2013, the Fair Market Value for MEIP was US\$5.975 per share.**  
• **Novogen had zero current or accumulated earnings or profit. Under 26 USC 301, no dividend need be declared as assessable income.**  
**Note that the Novogen consolidated group had current and accumulated losses of about \$186,644,000.**  
• **The difference between the Dividend amount and the Fair Market Value is a Capital Return that can be used to reduce the cost basis of the stockholders NVGN holding. If there is an amount outstanding once the holding cost becomes zero, the remaining amount is a Capital Gain.**

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ► **We caution that this is not tax advice and is provided as guidance only for tax purposes.**  
**Based on our understanding of 26 USC 301, we believe the following is correct:**  
• **As Novogen had no prior earnings, no Dividend amount will need to be declared as part of Assessable Income.**  
• **The difference between the FMV of MEIP shares of US\$5.975 and the Dividend amount of US\$0.00, which is US\$5.975 per share, can be used to reduce the cost base of the relevant NVGN ADR's (but no further than zero), with any excess to be declared as a Capital Gain.**  
**Example: Suppose an eligible holding of 3,500 NVGN at an average cost of US\$4.20 each for a total cost of US\$14,700**  
• **MEIP shares received at 0.71429 per NVGN = 2,500**  
• **Fair Market Value of 2,500 MEIP at US\$5.975 = US\$14,937.50**  
• **Dividend to be declared = US\$0.00 therefore Capital Return = US\$14,937.50**  
• **Cost base of NVGN holding = US\$14,700. After cost base is reduced to zero, Capital Gain = US\$237.50**  
• **Example summary: Dividend = US\$0.00; Capital Gain = US\$237.50; NVGN cost basis = US\$0.00; MEIP cost basis = US\$5.975; Date = 1/25/13**

For Paperwork Reduction Act Notice, see the separate Instructions.

Cat. No. 37752P

Form **8937** (12-2011)

**Part II Organizational Action** (continued)

**17** List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ► \_\_\_\_\_

**26 USC 301, 26 USC 355**

**We repeat that this is our interpretation only, but is not to be construed as tax advice.**

**Please consult a tax expert.**

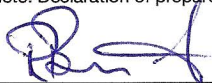
**18** Can any resulting loss be recognized? ► **No**

**19** Provide any other information necessary to implement the adjustment, such as the reportable tax year ► **Dividend was supposed to be paid in calendar year 2012 but was actually received in January 2013, once the 1 for 6 split was completed by MEI Pharma.**

**Sign Here**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ►



Date ►

**22 MARCH 2013**

Print your name ►

**ROBERT BIRCH**

Title ►

**DEPUTY CHAIRMAN**

**Paid Preparer Use Only**

Print/Type preparer's name

Preparer's signature

Date

Check ☐ if self-employed

PTIN

Firm's name ►

Firm's EIN ►

Firm's address ►

Phone no.

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054