

Prima Biomed Ltd

ACN 009 237 889

NOTICE OF EXTRAORDINARY GENERAL MEETING

including

EXPLANATORY STATEMENT

DATE

Friday, 26 June 2009

TIME

11am

LOCATION

The CFO Solution
Level 7, 151 Macquarie Street
Sydney NSW 2000

THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION. IT SHOULD BE READ IN ITS ENTIRETY. IF YOU ARE IN DOUBT ABOUT WHAT TO DO, YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER WITHOUT DELAY.

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Section 1 – Time, Date and Place of Meeting and How to Vote

1. Venue

This Extraordinary General Meeting of shareholders of Prima Biomed Ltd ACN 009 237 889 (**Company**) will be held at 11 am on Friday, 26 June 2009 at:

The CFO Solution
Level 7, 151 Macquarie Street
Sydney NSW 2000

2. How to Vote

You may vote at the Extraordinary General Meeting in person or by proxy.

3. Voting in Person

To vote in person, attend the Extraordinary General Meeting on the date and at the time and place set out in paragraph 1 above.

4. Voting by Proxy

To vote by proxy, please complete and sign the Proxy Form enclosed with this Notice of Extraordinary General Meeting and return it to the Company. A Proxy Form must be lodged:

- (a) by posting it to Prima Biomed Ltd, Suite 1, 1233 High Street, Armadale, VIC, 3143; or
- (b) by faxing it to (03) 9822 7735,

so that it is received not less than 48 hours prior to the commencement of the meeting.

Section 2 – Notice of Extraordinary Meeting

Notice is given that an Extraordinary General Meeting of shareholders of Prima Biomed Ltd ACN 009 237 889 (**Company**) will be held at 11am on Friday, 26 June 2009 at The CFO Solution, Level 7, 151 Macquarie Street, Sydney, NSW, 2000.

The Explanatory Statement to this Notice of Extraordinary Meeting provides additional information on matters to be considered at the Extraordinary General Meeting.

1. Agenda

Resolution 1 – Approval of Issue of Shares under Share Purchase Plan

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 42,857,142 fully paid ordinary shares in the Company to eligible applicants pursuant to the Company's Share Purchase Plan dated 15 May 2009 on the terms and conditions set out in the Explanatory Statement accompanying this Notice.

Further Information

Further information specifically relevant to Resolution 1 is set out in paragraph 2 of the Explanatory Statement.

Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 1 by:

- (a) any person who may participate in the proposed issue and any person who might obtain a benefit (except a benefit solely in the capacity as a holder of ordinary shares) if the resolution is passed; and
- (b) any associate of that person.

However, the Company need not disregard a vote cast on Resolution 1 if it is cast by:

- (a) a person as proxy for a person who is entitled to vote, if the vote is cast in accordance with the directions on the proxy form; or
- (b) the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction of the proxy form to vote as the proxy decides.

Resolution 2 – Ratification of Previous Issue of Shares to The CFO Solution Team Pty Ltd

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, approval is given for the prior issue to The CFO Solution Team Pty Ltd of 5,473,684 fully paid

ordinary shares in the Company on the terms and conditions set out in the Explanatory Statement accompanying this Notice.

Further Information

Further information specifically relevant to Resolution 2 is set out in paragraph 3 of the Explanatory Statement.

Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 2 by:

- (a) The CFO Solution Team Pty Ltd; and
- (b) any associate of The CFO Solution Team Pty Ltd.

However, the Company need not disregard a vote cast on Resolution 2 if it is cast by:

- (a) a person as proxy for a person who is entitled to vote, if the vote is cast in accordance with the directions on the proxy form; or
- (b) the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction of the proxy form to vote as the proxy decides.

Resolution 3 – Approval of Grant of Conversion Right to Lucy Turnbull

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to grant the conversion right to Lucy Turnbull under the Converting Loan Agreement between the Company and Lucy Turnbull dated 27 January 2009, as varied by a Deed of Variation dated 30 April 2009, on the terms and conditions set out in the Explanatory Statement accompanying this Notice.

Further Information

Further information specifically relevant to Resolution 3 is set out in paragraph 4 of the Explanatory Statement.

Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 3 by:

- (a) Lucy Turnbull; and
- (b) any associate of Lucy Turnbull.

However, the Company need not disregard a vote cast on Resolution 3 if it is cast by:

- (a) a person as proxy for a person who is entitled to vote, if the vote is cast in accordance with the directions on the proxy form; or
- (b) the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction of the proxy form to vote as the proxy decides.

Resolution 4 – Approval of Issue of Shares to Investors

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 57,692,307 fully paid ordinary shares in the Company to the persons nominated in, and on the terms and conditions set out in, the Explanatory Statement accompanying this Notice.

Further Information

Further information specifically relevant to Resolution 4 is set out in paragraph 5 of the Explanatory Statement.

Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 4 by:

- (a) Link Traders (Aust) Pty Ltd, Link Enterprises (Intl) Pty Ltd, Serenety Holdings Pty Ltd, Penelope Gai Ewing and Innovative Developments Pty Ltd; and
- (b) any associate of Link Traders (Aust) Pty Ltd, Link Enterprises (Intl) Pty Ltd, Serenety Holdings Pty Ltd, Penelope Gai Ewing and Innovative Developments Pty Ltd.

However, the Company need not disregard a vote cast on Resolution 4 if it is cast by:

- (a) a person as proxy for a person who is entitled to vote, if the vote is cast in accordance with the directions on the proxy form; or
- (b) the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction of the proxy form to vote as the proxy decides.

Resolution 5 – Approval of Issue of Options to Ata Gokyildirim

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

That, for the purposes of ASX Listing Rule 10.14, section 208 of the Corporations Act and for all other purposes, approval is given for the Company to issue Ata Gokyildirim (and/or his nominee) 13,500,000 options to acquire fully paid ordinary shares in the Company on the terms and conditions set out in the Explanatory Statement accompanying this Notice.

Further Information

Further information specifically relevant to Resolution 5 is set out in paragraph 6 of the Explanatory Statement.

Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 5 by:

- (a) Ata Gokyildirim, Dr Richard Hammel and Martin Rogers; and
- (b) any associate of Ata Gokyildirim, Dr Richard Hammel and Martin Rogers.

However, the Company need not disregard a vote cast on Resolution 5 if it is cast by:

- (a) a person as proxy for a person who is entitled to vote, if the vote is cast in accordance with the directions on the proxy form; or
- (b) the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction of the proxy form to vote as the proxy decides.

Resolution 6 – Approval of Issue of Options to Dr Richard Hammel

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

That, for the purposes of ASX Listing Rule 10.14, section 208 of the Corporations Act and for all other purposes, approval is given for the Company to issue Dr Richard Hammel (and/or his nominee) 5,000,000 options to acquire fully paid ordinary shares in the Company on the terms and conditions set out in the Explanatory Statement accompanying this Notice.

Further Information

Further information specifically relevant to Resolution 6 is set out in paragraph 7 of the Explanatory Statement.

Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 6 by:

- (a) Dr Richard Hammel, Ata Gokyildirim and Martin Rogers; and
- (b) any associate of Dr Richard Hammel, Ata Gokyildirim and Martin Rogers.

However, the Company need not disregard a vote cast on Resolution 6 if it is cast by:

- (a) a person as proxy for a person who is entitled to vote, if the vote is cast in accordance with the directions on the proxy form; or
- (b) the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction of the proxy form to vote as the proxy decides.

Resolution 7 – Approval of Issue of Options to Martin Rogers

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

That, for the purposes of ASX Listing Rule 10.14, section 208 of the Corporations Act and for all other purposes, approval is given for the Company to issue Martin Rogers (and/or his nominee) 20,000,000 options to acquire fully paid ordinary shares in the Company on the terms and conditions set out in the Explanatory Statement accompanying this Notice.

Further Information

Further information specifically relevant to Resolution 7 is set out in paragraph 8 of the Explanatory Statement.

Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 7 by:

- (a) Martin Rogers, Ata Gokyildirim and Dr Richard Hammel; and
- (b) any associate of Martin Rogers, Ata Gokyildirim and Dr Richard Hammel.

However, the Company need not disregard a vote if it is cast by:

- (a) a person falling within (a) or (b) as proxy for a person who is entitled to vote, if the vote is cast in accordance with the directions on the proxy form; or

- (b) the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction of the proxy form to vote as the proxy decides.

Resolution 8 – Approval of Issue of Shares to Alpha Securities Pty Ltd

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue Alpha Securities Pty Ltd (and/or its nominee) 2,051,282 fully paid ordinary shares in the Company on the terms and conditions set out in the Explanatory Statement accompanying this Notice.

Further Information

Further information specifically relevant to Resolution 8 is set out in paragraph 9 of the Explanatory Statement.

Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 8 by:

- (a) Alpha Securities Pty Ltd; and
- (b) any associate of Alpha Securities Pty Ltd.

However, the Company need not disregard a vote cast on Resolution 8 if it is cast by:

- (a) a person as proxy for a person who is entitled to vote, if the vote is cast in accordance with the directions on the proxy form; or
- (b) the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction of the proxy form to vote as the proxy decides.

Resolution 9 – Approval of Issue of Shares to APEC Group Pty Limited

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue APEC Group Pty Limited (and/or its nominee) 1,025,641 fully paid ordinary shares in the Company on the terms and conditions set out in the Explanatory Statement accompanying this Notice.

Further Information

Further information specifically relevant to Resolution 9 is set out in paragraph 10 of the Explanatory Statement.

Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 9 by:

- (a) APEC Group Pty Ltd; and
- (b) any associate of APEC Group Pty Ltd.

However, the Company need not disregard a vote cast on Resolution 9 if it is cast by:

- (a) a person as proxy for a person who is entitled to vote, if the vote is cast in accordance with the directions on the proxy form; or

- (b) the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction of the proxy form to vote as the proxy decides.

2. Proxies

Each shareholder of the Company entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint a proxy. The proxy need not be a shareholder of the Company.

A shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified, each proxy may exercise half of the shareholder's votes.

A shareholder may specify the way in which a proxy is to vote on the resolution or may allow the proxy to vote at their discretion.

To vote by proxy, complete and sign the Proxy Form enclosed with this Notice and return it to the Company. To be valid, Proxy Forms must be received by the Company not less than 48 hours prior to the commencement of the Extraordinary General Meeting. A Proxy Form may be lodged:

- (a) by posting it to Prima Biomed Ltd, Suite 1, 1233 High Street, Armadale, VIC, 3143; or
- (b) by faxing it to (03) 9822 7735.

If the Proxy Form is executed under a Power of Attorney, a certified copy of the Power of Attorney must be lodged with the Proxy Form.

3. Incorporation of Explanatory Statement

The Explanatory Statement attached to this Notice is incorporated into and forms part of this Notice.

4. Voting Entitlements

In accordance with Regulations 7.11.37 and 7.11.38 of the *Corporations Regulations 2001* (Cth), the board has determined that a person's entitlement to vote at the Extraordinary General Meeting will be the entitlement of that person set out in the register of shareholders as at 5pm (AEST) on Wednesday, 24 June 2009. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Extraordinary General Meeting.

By order of the Board:



Robert Kleine
Company Secretary
Dated: Friday 22nd May 2009

Section 3 – Explanatory Memorandum

1. Introduction

This Explanatory Statement has been prepared to assist shareholders of the Company to understand the reason and nature of the nine proposed resolutions set out in the attached Notice of Extraordinary General Meeting.

The Directors recommend that you read this Explanatory Statement and attend the Extraordinary General Meeting. If you are unable to attend but wish to vote, complete the Proxy Form enclosed and ensure it reaches the address or facsimile stated in the Notice of Extraordinary General Meeting not less than 48 hours prior to the time of the Extraordinary General Meeting.

2. Resolution 1 – Approval of Issue of Shares under Share Purchase Plan

2.1 General

On 28 April 2009 the Company announced its intention to provide eligible shareholders the opportunity to subscribe for new shares in the Company through a Share Purchase Plan (**SPP**).

A maximum of 42,857,142 fully paid ordinary shares will be issued, and it is anticipated that up to \$3,000,000 will be raised, under the SPP. The actual number of shares issued will depend on the number of eligible applicants under the SPP. See paragraph 2.3 below for further details.

The Company successfully raised \$198,000 under another Share Purchase Plan (**Previous SPP**), which closed on 22 December 2008. Shareholders who were issued shares under the Previous SPP will be restricted from applying for further shares under the SPP to the extent that to do so would result in the aggregate amount invested by that shareholder under the Previous SPP and SPP exceeding \$5,000.

2.2 ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that without the approval of shareholders, the Company must not issue or agree to issue more equity securities if such issue, when aggregated with the securities issued by the Company during the previous 12 months, would be an amount that would exceed 15% of the issued shares at the commencement of that 12 month period (subject to certain exceptions that are not relevant to the Company's present circumstances).

Exception 15 in ASX Listing Rule 7.2 provides that ASX Listing Rule 7.1 does not apply in respect of the issue of shares under a Share Purchase Plan, but the Exception is only available once in any 12 month period. This is the second Share Purchase Plan offered by the Company during the previous 12 months and accordingly, Exception 15 in ASX Listing Rule 7.2 is not available to the Company.

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2.3 Technical Information required by ASX Listing Rule 7.3

In compliance with ASX Listing Rule 7.3, the following information is provided:

- (a) ASX Listing Rule 7.3.1: Maximum number of securities to be issued pursuant to Resolution 1.

Up to 42,857,142 fully paid ordinary shares in the Company. The actual number of shares issued will depend on the number of eligible applicants under the SPP.

- (b) ASX Listing Rule 7.3.2 and 7.3.7: Date by which securities will be issued and allotted

If shareholder approval is obtained, the issue and allotment of the shares to eligible applicants under the Share Purchase Plan will occur pursuant to accepted application forms under the SPP, but in any event on a date which is not later than three months after the date of the Extraordinary General Meeting or such later time as deemed appropriate by an ASX waiver.

- (c) ASX Listing Rule 7.3.3: Issue price of securities

The shares will be issued at an issue price of \$0.07.

- (d) ASX Listing Rule 7.3.4: Name of allottees

The allottees will be the eligible applicants under the Share Purchase Plan.

- (e) ASX Listing Rule 7.3.5: Terms of securities

The Company will apply to ASX to have the shares issued to eligible applicants under the Share Purchase Plan quoted and these shares will rank equally with all other shares of the Company on issue. Once the shares are issued to eligible applicants under the Share Purchase Plan, the rights and entitlements of the eligible applicants under the Share Purchase Plan as shareholder of the Company will be identical to the rights and entitlements of the holders of issued shares in the Company.

- (f) ASX Listing Rule 7.3.6: Intended use of the funds raised

The funds raised from the proposed issue of shares to eligible applicants under the Share Purchase Plan are expected to be applied towards the upcoming Pivotal Trials and for general working capital.

- (g) ASX Listing Rule 7.3.8: Voting exclusion statement

A voting exclusion statement is included in the Notice accompanying this Explanatory Statement.

2.4 Director's Recommendation

The directors of the Company recommend that shareholders approve Resolution 1 to approve the issue of shares to eligible applicants under the Share Purchase Plan.

3. Resolution 2 – Ratification of Previous Issue of Shares to The CFO Solution Team Pty Ltd

3.1 General

The Company proposes to ratify the issue of 5,473,684 fully paid ordinary shares in the Company on the terms and conditions set out in paragraph 3.3 below to The CFO Solution Team Pty Ltd. The shares were issued to The CFO Solution Team Pty Ltd, pursuant to a services agreement between the Company and The CFO Solution Team Pty Ltd dated 31 March 2009, in consideration of secretarial and accounting services to be provided to the Company during the period 1 April 2009 until 31 March 2010 to the value of \$104,000.

3.2 ASX Listing Rule 7.4

ASX Listing Rule 7.4 provides that an issue of securities made without approval under ASX Listing Rule 7.1 may be treated as having been made with approval under ASX Listing Rule 7.1 if the issue did not breach ASX Listing Rule 7.1 and the shareholders subsequently approve the issue.

3.3 Technical Information required by ASX Listing Rule 7.3

In compliance with ASX Listing Rule 7.5, the following information is provided:

(a) Date of allotment and issue of securities

21 April 2009.

(b) Number of securities allotted and issued

5,473,684 fully paid ordinary shares in the Company.

(c) Price at which securities were allotted and issued

The shares were issued at \$0.019 per share. The issue price of the shares was based on the volume weighted average price of fully paid ordinary shares in the Company from 25 March 2009 to 31 March 2009, being the five trading days prior to 31 March 2009.

(d) Terms of securities

The shares issued to The CFO Solution Team Pty Ltd rank equally in all respects with the existing ordinary shares on issue of the Company.

(e) Name of allottee

The shares were issued to The CFO Solution Team Pty Ltd.

(f) Use of funds raised

No funds were raised from the issue of shares to The CFO Solution Team Pty Ltd as the shares were issued pursuant to a services agreement between the Company and The CFO Solution Team Pty Ltd dated 31 March 2009, in consideration of secretarial and accounting services to be provided to the Company during the period 1 April 2009 until 31 March 2010 to the value of \$104,000.

(g) Voting Exclusion Statement

A voting exclusion statement is included in the Notice accompanying this Explanatory Statement.

3.4 Director's Recommendation

The directors of the Company recommend that shareholders approve Resolution 2.

4. Resolution 3 – Approval of Grant of Conversion Right to Lucy Turnbull

4.1 General

On 27 January 2009, the Company entered into a converting loan agreement with Lucy Turnbull pursuant to which the Company was provided loan funds totalling \$125,000 (**Converting Loan Agreement**). That agreement was amended on 30 April 2009.

The material terms of the Converting Loan Agreement (as amended) are:

- (a) Lucy Turnbull agrees to lend \$125,000 to the Company (**Loan**);
- (b) interest is payable on the Loan at 10 per cent per annum;
- (c) the Loan is repayable on or before 27 January 2010 (**Repayment Date**);
- (d) the Loan is secured by a fixed and floating charge over 25% of the intellectual property of Cancer Vac Pty Ltd, a wholly owned subsidiary of the Company;
- (e) subject to the approval of shareholders of the Company, part of, or the entire amount of the Loan (plus any unpaid interest), may be converted by Lucy Turnbull at any time at least 10 business days prior to the Repayment Date into fully paid ordinary shares in the Company (**Conversion Right**). The number of fully paid ordinary shares in the Company to which Lucy Turnbull will be entitled to upon conversion is equal to:

$$N = A / 0.026$$

where:

N is the number of fully paid ordinary shares in the Company to which Lucy Turnbull will be entitled to upon conversion; and

A is the principal amount of the Loan outstanding on conversion and all accrued but unpaid interest on the principal amount of the Loan outstanding.

Resolution 3 therefore seeks the approval of shareholders to the grant of the Conversion Right to Lucy Turnbull on the terms and conditions of the Converting Loan Agreement (as amended).

In the event that Resolution 3 is not approved by the shareholders of the Company by 27 July 2009, the Company will be required to repay \$312,500 (plus any unpaid interest) to Lucy Turnbull on the Repayment Date.

4.2 ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that without the approval of shareholders, the Company must not issue or agree to issue more equity securities if such issue, when aggregated with the securities issued by the Company during the previous 12 months, would be an amount that would exceed 15% of the issued shares at the commencement of that 12 month period (subject to certain exceptions that are not relevant to the Company's present circumstances).

4.3 Technical Information required by ASX Listing Rule 7.3

In compliance with ASX Listing Rule 7.3, the following information is provided

- (a) ASX Listing Rule 7.3.1: Maximum number of securities to be issued pursuant to Resolution 3.

The Company will grant one Conversion Right.

- (b) ASX Listing Rule 7.3.2 and 7.3.7: Date by which securities will be issued and allotted

If shareholder approval is obtained, the grant of the Conversion Right will occur immediately pursuant to the terms of the Converting Loan Agreement (as amended).

- (c) ASX Listing Rule 7.3.3: Issue price of securities

There will be no additional funds raised from the grant of the Conversion Right to Lucy Turnbull, however the Company has received funds totalling \$125,000 under the Converting Loan Agreement (as amended).

- (d) ASX Listing Rule 7.3.4: Name of allottees

Lucy Turnbull.

- (e) ASX Listing Rule 7.3.5: Terms of securities

Upon conversion of the Conversion Right, up to 4,807,693 fully paid ordinary shares in the Company may be issued to Lucy Turnbull (assuming accrued interest is not converted into fully paid ordinary shares in the Company).

- (f) ASX Listing Rule 7.3.6: Intended use of the funds raised

There will be no additional funds raised from the grant of the Conversion Right to Lucy Turnbull, however the Company has received funds totalling \$125,000 under the Converting Loan Agreement (as amended). Such amount has been used as general working capital.

- (g) ASX Listing Rule 7.3.8: Voting exclusion statement

A voting exclusion statement is included in the Notice accompanying this Explanatory Statement.

4.4 Director's Recommendation

The directors of the Company recommend that shareholders approve Resolution 3 to approve the issue of the Conversion Right to Lucy Turnbull.

5. Resolution 4 – Approval of Issue of Shares to Investors

5.1 General

The Company proposes to issue 57,692,307 fully paid ordinary shares in the Company to the following investors on the terms and conditions set out in paragraph 5.3 below:

Investors	Number of fully paid ordinary shares proposed to be issued	Amount to be raised
Link Traders (Aust) Pty Ltd	38,461,538	\$1,000,000
Link Enterprises (International) Pty Ltd ATF Link Super Fund	384,615	\$10,000
Serenety Holdings Pty Ltd ATF Super Fund A/C	961,538	\$25,000
Serenety Holdings Pty Ltd	6,307,692	\$164,000
Penelope Gai Ewing	38,462	\$1,000
Innovative Developments Pty Ltd	11,538,462	\$300,000
Total	57,692,307	\$1,500,000

5.2 ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that without the approval of shareholders, the Company must not issue or agree to issue more equity securities if such issue, when aggregated with the securities issued by the Company during the previous 12 months, would be an amount that would exceed 15% of the issued shares at the commencement of that 12 month period (subject to certain exceptions that are not relevant to the Company's present circumstances).

5.3 Technical Information required by ASX Listing Rule 7.3

In compliance with ASX Listing Rule 7.3, the following information is provided

- (a) ASX Listing Rule 7.3.1: Maximum number of securities to be issued pursuant to Resolution 4.
57,692,307 fully paid ordinary shares in the Company.
- (b) ASX Listing Rule 7.3.2 and 7.3.7: Date by which securities will be issued and allotted
If shareholder approval is obtained, the issue and allotment of the shares to the investors identified in paragraph 5.1 above will occur on a date which is not later than three months after the date of the Extraordinary General Meeting or such later time as deemed appropriate by an ASX waiver.
- (c) ASX Listing Rule 7.3.3: Issue price of securities

The shares will be issued at an issue price of \$0.026 per share. That price was struck following extensive negotiations during the period 1 April until 27 April 2009. During that period the highest trading price of the Company's shares on ASX was \$0.11 and the lowest trading price was \$0.015.

(d) ASX Listing Rule 7.3.4: Name of allottees

The investors identified in paragraph 5.1 above.

(e) ASX Listing Rule 7.3.5: Terms of securities

The Company will apply to ASX to have the shares issued to the investors identified in paragraph 5.1 above quoted and these shares will rank equally with all other shares of the Company on issue. Once the shares are issued, the rights and entitlements of investors as shareholder of the Company will be identical to the rights and entitlements of the holders of issued shares in the Company.

(f) ASX Listing Rule 7.3.6: Intended use of the funds raised

The funds raised from the proposed issue of shares to the investors identified in paragraph 5.1 above are expected to be applied towards the upcoming Pivotal Trials and for general working capital.

(g) ASX Listing Rule 7.3.8: Voting exclusion statement

A voting exclusion statement is included in the Notice accompanying this Explanatory Statement.

5.4 Director's Recommendation

The directors of the Company recommend that shareholders approve Resolution 4 to approve the issue of shares to the investors identified in paragraph 5.1 above.

6. Resolution 5 – Approval of Issue of Options to Ata Gokyildirim

6.1 General

The Company proposes to issue Ata Gokyildirim (and/or his nominee) 13,500,000 options to acquire fully paid ordinary shares in the Company on the terms and conditions set out in paragraph 6.3 below (**Options**). The Options are proposed to be issued to Ata Gokyildirim, a director of the Company, as a key component of his remuneration in order to attract and retain his services and to provide incentive linked to the performance of the Company. Further, the Board considers that the performance of Ata Gokyildirim and the performance and value of the Company are closely related as he has significant responsibility for achieving the Company's objectives. The issue of incentive Options to Ata Gokyildirim has the benefit of conserving cash whilst properly rewarding Ata Gokyildirim for his dedicated services to the Company.

Shareholder approval for the issue of the Options to Ata Gokyildirim is required pursuant to ASX Listing Rule 10.14 and section 208 of the Corporations Act.

6.2 ASX Listing Rule 10.14

ASX Listing Rule 10.14 requires a listed company to obtain shareholder approval by ordinary resolution prior to permitting a director or an associate of a director to acquire securities under an employee incentive scheme.

If approval is given under ASX Listing Rule 10.14, separate approval is not required under ASX Listing Rule 7.1. Shareholders should therefore note that should the issue of Options to Ata Gokyildirim be approved under ASX Listing Rule 10.14, the issue will not be included in the 15% calculation for the purposes of ASX Listing Rule 7.1.

6.3 Technical Information required by ASX Listing Rule 10.15

For the purposes of ASX Listing Rule 10.15, the following information is provided in relation to Resolution 5:

- (a) ASX Listing Rule 10.15.1: Nature of relationship
Ata Gokyildirim is a director of the Company.
- (b) ASX Listing Rule 10.15.2: Maximum number of securities that may be acquired by all persons for whom approval is required
Approval is being sought to issue Ata Gokyildirim and/or his nominee 13,500,000 Options. The proposed issue is not part of a formal employee incentive scheme. It is a one-off issue. Approval is also being sought to issue Dr Richard Hammel 5,000,000 Options and Martin Rogers 20,000,000 Options. See paragraphs 7 and 8 of this Explanatory Statement for further details.
- (c) ASX Listing Rule 10.15.3: Price for each security to be acquired under the scheme
No monetary consideration will be payable on issue of the Options. The Options will be issued on the terms and conditions set out in Annexure A.
- (d) ASX Listing Rule 10.15.4: The name of all persons who received approval under the scheme since the last approval
The proposed issue to Ata Gokyildirim and/or his nominee of Options is not part of a formal employee incentive scheme. It is a one-off issue.
- (e) ASX Listing Rule 10.15.4A: The names of all persons entitled to participate in the scheme
Approval is also being sought to issue Dr Richard Hammel 5,000,000 Options and Martin Rogers 20,000,000 Options. See paragraphs 7 and 8 of this Explanatory Statement for further details.
- (f) ASX Listing Rule 10.15.5: Voting exclusion statement
A voting exclusion statement is included in the Notice accompanying this Explanatory Statement.
- (g) ASX Listing Rule 10.15.6: The terms of any loan in relation to the acquisition
Not applicable.

- (h) ASX Listing Rule 10.13.7: Date by which the securities are to be issued

The Options will be issued no later than one month after the date of the Extraordinary General Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules).

6.4 Section 208 of the Corporations Act

Section 208 of the Corporations Act prohibits a public company giving a financial benefit to a related party unless one of a number of exceptions applies.

A “financial benefit” is defined in the Corporations Act in broad terms and includes a public company issuing securities. A “related party” includes a director of the Company. Accordingly, the proposed issue of options to Ata Gokyildirim and/or his nominee involves the provision of a financial benefit to a related party of the Company.

The directors have formed the view that the exceptions to section 208 of the Corporations Act may not apply in the current circumstances. The directors have therefore resolved to seek shareholder approval for the purposes of section 208 of the Corporations Act for the issue of Options to Ata Gokyildirim and/or his nominee.

6.5 Technical Information required by section 217 to 227 of the Corporations Act

In accordance with the requirements of sections 217 and 227 of the Corporations Act, and particularly section 219, the following information is provided to enable shareholders to assess the proposed issue of Options to Ata Gokyildirim and/or his nominee:

- (a) The related party to whom the financial benefit will be given

Ata Gokyildirim and/or his nominee.

- (b) The nature of the financial benefits

13,500,000 Options.

Each Option will entitle the holder to subscribe for one fully paid ordinary share in the Company and will expire on 30 September 2009. The Options will be exercisable for nil consideration and may only be exercised on vesting. Vesting of the Options will occur on 15 September 2009 if the following conditions are satisfied on or before that date:

- (i) Ata Gokyildirim remains a director of the Company during the period commencing on the date the Company issues the option and ending at 5pm (Sydney, NSW time) on 15 September 2009;
- (ii) the Company secures a \$12 million finance facility during the period commencing on 1 January 2009 and ending at 5pm (Sydney, NSW time) on 15 September 2009; and
- (iii) the Company's share price on ASX reaches \$0.011 and stays at or above that amount for a consecutive period of 30 days during the period commencing on 1 January 2009 and ending at 5pm (Sydney, NSW time) on 15 September 2009.

No monetary consideration is payable on issue of the Options.

The Options will otherwise be issued on the terms and conditions set out in Annexure A.

(c) Director's recommendations

The directors of the Company other than Ata Gokyildirim, who abstains from voting due to his material interest in the outcome of Resolution 5, recommend that Shareholders approve Resolution 5. In resolving to recommend Resolution 5, the directors (other than Ata Gokyildirim) considered Ata Gokyildirim's experience, skills and the market value of the Options. The directors of the Company are not aware of any other information that would be reasonably required by shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 5.

(d) Director's interest in resolution

Martin Rogers and Dr Richard Hammel do not have an interest in Resolution 5.

If Resolution 5 is passed, Ata Gokyildirim will receive Options.

(e) All other relevant information

Director's current interest: As at the date of this Notice, Ata Gokyildirim has an interest in 234,000 fully paid ordinary shares in the Company and 18,000,000 options to acquire fully paid ordinary shares in the Company, exercisable at \$0.02 and expiring on 31 December 2011. Ata Gokyildirim is currently paid \$140,000 per annum for his services as a director of the Company.

Dilution Effect: If shareholders approve the issue of the options to Ata Gokyildirim and all of the options are exercised, the effect will be to dilute the shareholding of existing shareholders by approximately 4% based on the number of shares on issue as at the date of this Notice.

Share trading prices in the past 12 months: In the 12 months preceding the date of this Explanatory Statement, the highest, lowest and last trading price of shares on ASX were:

Highest \$0.110

Lowest \$0.005

Last \$0.072

Option trading prices in the past 12 months: The Options proposed to be issued to Ata Gokyildirim are unlisted.

Valuation of Options: ASIC requires explanatory information regarding the value of the Options proposed to be issued to Ata Gokyildirim be included in this Explanatory Statement. The Options proposed to be issued to Ata Gokyildirim (and/or his nominee) are zero exercise price options. Fair values as at 31 March 2009 have been determined using a Barrier Pricing option pricing model that takes into account the exercise price, the expected life of the option, the market based vesting and performance criteria, the 12 month average share price during the year ended 31 March 2009, expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the life of the option. The valuation is summarised in the table

below, which provides details of the key assumptions used by the Company in the calculation:

Item	Valuation
12 month average share price during the year ended 31 March 2009	\$0.009
Exercise Price	\$0.00
Dividend rate	Nil
Volatility rate	72%
Risk free rate	3.01%
Expiration Period	180 days from 31 March 2009
Barrier (20% above 12 month average share price during the year ended 31 March 2009)	\$0.011
Number of Options	13,500,000
Valuation per Option	\$0.003
Valuation	\$40,500

7. Resolution 6 – Approval of Issue of Options to Dr Richard Hammel or nominee

7.1 General

The Company proposes to issue Dr Richard Hammel (and/or his nominee) 5,000,000 Options on the terms and conditions set out in paragraph 7.3 below. The Options are proposed to be issued to Dr Richard Hammel, a director of the Company, as a key component of his remuneration in order to attract and retain his services and to provide incentive linked to the performance of the Company. Further, the Board considers that the performance of Dr Richard Hammel and the performance and value of the Company are closely related as he has significant responsibility for achieving the Company's objectives. The issue of incentive Options to Dr Richard Hammel has the benefit of conserving cash whilst properly rewarding Dr Richard Hammel for his dedicated services to the Company.

Shareholder approval for the issue of the options to Dr Richard Hammel is required pursuant to ASX Listing Rule 10.14 and section 208 of the Corporations Act.

7.2 ASX Listing Rule 10.14

ASX Listing Rule 10.14 requires a listed company to obtain shareholder approval by ordinary resolution prior to permitting a director or an associate of a director to acquire securities under an employee incentive scheme.

If approval is given under ASX Listing Rule 10.14, separate approval is not required under ASX Listing Rule 7.1. Shareholders should therefore note that should the issue

of Options to Dr Richard Hammel be approved under ASX Listing Rule 10.14, the issue will not be included in the 15% calculation for the purposes of ASX Listing Rule 7.1.

7.3 Technical Information required by ASX Listing Rule 10.15

For the purposes of ASX Listing Rule 10.15, the following information is provided in relation to Resolution 6:

- (a) ASX Listing Rule 10.15.1: Nature of relationship
- Dr Richard Hammel is a director of the Company.
- (b) ASX Listing Rule 10.15.2: Maximum number of securities that may be acquired by all persons for whom approval is required
- Approval is being sought to issue Dr Richard Hammel and/or his nominee 5,000,000 Options. The proposed issue is not part of a formal employee incentive scheme. It is a one-off issue. Approval is also being sought to issue Ata Gokyildirim 13,500,000 Options and Martin Rogers 20,000,000 Options. See paragraphs 6 and 8 of this Explanatory Statement for further details.
- (c) ASX Listing Rule 10.15.3: Price for each security to be acquired under the scheme
- No monetary consideration will be payable on issue of the Options. The Options will be issued on the terms and conditions set out in Annexure A.
- (d) ASX Listing Rule 10.15.4: The name of all persons who received approval under the scheme since the last approval
- The proposed issue to Dr Richard Hammel and/or his nominee of Options is not part of a formal employee incentive scheme. It is a one-off issue.
- (e) ASX Listing Rule 10.15.4A: The names of all persons entitled to participate in the scheme
- Approval is also being sought to issue Ata Gokyildirim 13,500,000 Options and Martin Rogers 20,000,000 Options. See paragraphs 6 and 8 of this Explanatory Statement for further details.
- (f) ASX Listing Rule 10.15.5: Voting exclusion statement
- A voting exclusion statement is included in the Notice accompanying this Explanatory Statement.
- (g) ASX Listing Rule 10.15.6: The terms of any loan in relation to the acquisition
- Not applicable.
- (h) ASX Listing Rule 10.13.7: Date by which the securities are to be issued
- The Options will be issued no later than one month after the date of the Extraordinary General Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules).

7.4 Section 208 of the Corporations Act

Section 208 of the Corporations Act prohibits a public company giving a financial benefit to a related party unless one of a number of exceptions applies.

A “financial benefit” is defined in the Corporations Act in broad terms and includes a public company issuing securities. A “related party” includes a director of the Company. Accordingly, the proposed issue of options to Dr Richard Hammel and/or his nominee involves the provision of a financial benefit to a related party of the Company.

The directors have formed that view that the exceptions which are available to section 208 of the Corporations Act may not apply in the current circumstances. The directors have therefore resolved to seek shareholder approval for the purposes of section 208 of the Corporations Act for the issue of options to Dr Richard Hammel and/or his nominee.

7.5 Technical Information required by section 217 to 227 of the Corporations Act

In accordance with the requirements of sections 217 and 227 of the Corporations Act, and particularly section 219, the following information is provided to enable shareholders to assess the proposed issue of options to Dr Richard Hammel and/or his nominee:

- (a) The related party to whom the financial benefit will be given

Dr Richard Hammel and/or his nominee.

- (b) The nature of the financial benefits

5,000,000 Options.

Each Option will entitle the holder to subscribe for one fully paid ordinary share in the Company and will expire on 30 September 2009. The Options will be exercisable for nil consideration and may only be exercised on vesting. Vesting of the Options will occur on 15 September 2009 if the following conditions are satisfied on or before that date:

- (i) Dr Richard Hammel remains a director of the Company during the period commencing on the date the Company issues the option and ending at 5pm (Sydney, NSW time) on 15 September 2009;
- (ii) the Company secures a \$12 million finance facility during the period commencing on 1 January 2009 and ending at 5pm (Sydney, NSW time) on 15 September 2009; and
- (iii) the Company's share price on ASX reaches \$0.011 and stays at or above that amount for a consecutive period of 30 days during the period commencing on 1 January 2009 and ending at 5pm (Sydney, NSW time) on 15 September 2009.

No monetary consideration is payable on issue of the Options.

The Options will otherwise be issued on the terms and conditions set out in Annexure A.

(c) Director's recommendations

The directors of the Company other than Dr Richard Hammel, who abstains from voting due to his material interest in the outcome of Resolution 6, recommend that Shareholders approve Resolution 6. In resolving to recommend Resolution 6, the directors (other than Dr Richard Hammel) considered Dr Richard Hammel's experience and skills, the market value of the Options. The directors of the Company are not aware of any other information that would be reasonably required by shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 6.

(d) Director's interest in resolution

Martin Rogers and Ata Gokyildirim do not have an interest in Resolution 6.

If Resolution 6 is passed, Dr Richard Hammel will receive Options.

(e) All other relevant information

Director's current interest: As at the date of this Notice, Dr Richard Hammel has an interest in 10,000,000 options to acquire fully paid ordinary shares in the Company, exercisable at \$0.02 and expiring on 31 December 2011. Dr Richard Hammel is currently paid directors' fees of US\$3,333 per month. For any additional consulting services that Dr Richard Hammel provides to the Company, entities associated with Dr Richard Hammel are entitled to be paid US\$3,000 per day.

Dilution Effect: If shareholders approve the issue of the options to Dr Richard Hammel and all of the options are exercised, the effect will be to dilute the shareholders of existing shareholders by approximately 1% based on the number of shares on issue as at the date of this Notice.

Share trading prices in the past 12 months: In the 12 months preceding the date of this Explanatory Statement, the highest, lowest and last trading price of shares on ASX were:

Highest \$0.110

Lowest \$0.005

Last \$0.072

Option trading prices in the past 12 months: The Options proposed to be issued to Dr Richard Hammel are unlisted.

Valuation of Options: ASIC requires explanatory information regarding the value of the Options proposed to be issued to Dr Richard Hammel be included in this Explanatory Statement. The Options proposed to be issued to Dr Richard Hammel (and/or his nominee) are zero exercise price options. Fair values as at 31 March 2009 have been determined using a Barrier Pricing option pricing model that takes into account the exercise price, the expected life of the option, the market based vesting and performance criteria, the 12 month average share price during the year ended 31 March 2009, expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the life of the option. The valuation is summarised in the

table below, which provides details of the key assumptions used by the Company in the calculation:

Item	Valuation
12 month average share price during the year ended 31 March 2009	\$0.009
Exercise Price	\$0.00
Dividend rate	Nil
Volatility rate	72%
Risk free rate	3.01%
Expiration Period	180 days from 31 March 2009
Barrier (20% above 12 month average share price during the year ended 31 March 2009)	\$0.011
Number of Options	5,000,000
Valuation per Option	\$0.003
Valuation	\$15,000

8. Resolution 7 – Approval of Issue of Options to Martin Rogers or nominee

8.1 General

The Company proposes to issue Martin Rogers (and/or his nominee) 20,000,000 Options on the terms and conditions set out in paragraph 8.3 below. The Options are proposed to be issued to Martin Rogers, a director of the Company, as a key component of his remuneration in order to attract and retain his services and to provide incentive linked to the performance of the Company. Further, the Board considers that the performance of Martin Rogers and the performance and value of the Company are closely related as he has significant responsibility for achieving the Company's objectives. The issue of incentive Options to Martin Rogers has the benefit of conserving cash whilst properly rewarding Martin Rogers for his dedicated services to the Company.

Shareholder approval for the issue of the options to Martin Rogers is required pursuant to ASX Listing Rule 10.15 and section 208 of the Corporations Act.

8.2 ASX Listing Rule 10.14

ASX Listing Rule 10.14 requires a listed company to obtain shareholder approval by ordinary resolution prior to permitting a director or an associate of a director to acquire securities under an employee incentive scheme.

If approval is given under ASX Listing Rule 10.14, separate approval is not required under ASX Listing Rule 7.1. Shareholders should therefore note that should the issue

of options to Martin Rogers be approved under ASX Listing Rule 10.14, the issue will not be included in the 15% calculation for the purposes of ASX Listing Rule 7.1.

8.3 Technical Information required by ASX Listing Rule 10.15

For the purposes of ASX Listing Rule 10.15, the following information is provided in relation to Resolution 7:

- (a) ASX Listing Rule 10.15.1: Nature of relationship
- Martin Rogers is a director of the Company.
- (b) ASX Listing Rule 10.15.2: Maximum number of securities that may be acquired by all persons for whom approval is required
- Approval is being sought to issue Martin Rogers and/or his nominee 20,000,000 Options. The proposed issue is not part of a formal employee incentive scheme. It is a one-off issue. Approval is also being sought to issue Ata Gokyildirim 13,500,000 Options and Dr Richard Hammel 5,000,000 Options. See paragraphs 6 and 7 of this Explanatory Statement for further details.
- (c) ASX Listing Rule 10.15.3: Price for each security to be acquired under the scheme
- No monetary consideration will be payable on issue of the Options. The Options will be issued on the terms and conditions set out in Annexure A.
- (d) ASX Listing Rule 10.15.4: The name of all persons who received approval under the scheme since the last approval
- The proposed issue to Martin Rogers and/or his nominee of Options is not part of a formal employee incentive scheme. It is a one-off issue.
- (e) ASX Listing Rule 10.15.4A: The names of all persons entitled to participate in the scheme
- Approval is also being sought to issue Ata Gokyildirim 13,500,000 Options and Dr Richard Hammel 5,000,000 Options. See paragraphs 6 and 7 of this Explanatory Statement for further details.
- (f) ASX Listing Rule 10.15.5: Voting exclusion statement
- A voting exclusion statement is included in the Notice accompanying this Explanatory Statement.
- (g) ASX Listing Rule 10.15.6: The terms of any loan in relation to the acquisition
- Not applicable.
- (h) ASX Listing Rule 10.13.7: Date by which the securities are to be issued
- The Options will be issued no later than one month after the date of the Extraordinary General Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules).

8.4 Section 208 of the Corporations Act

Section 208 of the Corporations Act prohibits a public company giving a financial benefit to a related party unless one of a number of exceptions applies.

A “financial benefit” is defined in the Corporations Act in broad terms and includes a public company issuing securities. A “related party” includes a director of the Company. Accordingly, the proposed issue of options to Martin Rogers and/or his nominee involves the provision of a financial benefit to a related party of the Company.

The directors have formed the view that the exceptions to section 208 of the Corporations Act may not apply in the current circumstances. The directors have therefore resolved to seek shareholder approval for the purposes of section 208 of the Corporations Act for the issue of options to Martin Rogers and/or his nominee.

8.5 Technical Information required by section 217 to 227 of the Corporations Act

In accordance with the requirements of sections 217 and 227 of the Corporations Act, and particularly section 219, the following information is provided to enable shareholders to assess the proposed issue of options to Martin Rogers and/or his nominee:

- (a) The related party to whom the financial benefit will be given

Martin Rogers and/or his nominee.

- (b) The nature of the financial benefits

20,000,000 Options.

Each Option will entitle the holder to subscribe for one fully paid ordinary share in the Company and will expire on 30 September 2009. The Options will be exercisable for nil consideration and may only be exercised on vesting. Vesting of the Options will occur on 15 September 2009 if the following conditions are satisfied on or before that date:

- (i) Martin Rogers remains a director of the Company during the period commencing on the date the Company issues the option and ending at 5pm (Sydney, NSW time) on 15 September 2009;
- (ii) the Company secures a \$12 million finance facility during the period commencing on 1 January 2009 and ending at 5pm (Sydney, NSW time) on 15 September 2009; and
- (iii) the Company's share price on ASX reaches \$0.011 and stays at or above that amount for a consecutive period of 30 days during the period commencing on 1 January 2009 and ending at 5pm (Sydney, NSW time) on 15 September 2009.

No monetary consideration is payable on issue of the Options.

The Options will otherwise be issued on the terms and conditions set out in Annexure A.

(c) Director's recommendations

The directors of the Company other than Martin Rogers, who abstains from voting due to his material interest in the outcome of Resolution 7, recommend that Shareholders approve the Resolution 7. In resolving to recommend Resolution 7, the directors (other than Martin Rogers) considered Martin Roger's experience and skills, the market value of the Options. The directors of the Company are not aware of any other information that would be reasonably required by shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 7.

(d) Director's interest in resolution

Dr Richard Hammel and Ata Gokyildirim do not have an interest in Resolution 7.

If Resolution 7 is passed, Martin Rogers will receive Options.

(e) All other relevant information

Director's current interest: As at the date of this Notice, Martin Rogers has an interest in 497,500 fully paid ordinary shares in the Company and 18,000,000 options to acquire fully paid ordinary shares in the Company, exercisable at \$0.02 and expiring on 31 December 2011. Martin Rogers is currently paid \$140,000 per annum for his services as an executive director of the Company.

Dilution Effect: If shareholders approve the issue of the options to Martin Rogers and all of the options are exercised, the effect will be to dilute the shareholders of existing shareholders by approximately 5% based on the number of shares on issue as at the date of this Notice.

Share trading prices in the past 12 months: In the 12 months preceding the date of this Explanatory Statement, the highest, lowest and last trading price of shares on ASX were:

Highest \$0.110

Lowest \$0.005

Last \$0.072

Option trading prices in the past 12 months: The Options proposed to be issued to Martin Rogers are unlisted.

Valuation of Options: ASIC requires explanatory information regarding the value of the Options proposed to be issued to Martin Rogers be included in this Explanatory Statement. The Options proposed to be issued to Martin Rogers (and/or his nominee) are zero exercise price options. Fair values as at 31 March 2009 have been determined using a Barrier Pricing option pricing model that takes into account the exercise price, the expected life of the option, the market based vesting and performance criteria, the 12 month average share price during the year ended 31 March 2009, expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the life of the option. The valuation is summarised in the table below, which provides details of the key assumptions used by the Company in the calculation:

Item	Valuation
12 month average share price during the year ended 31 March 2009	\$0.009
Exercise Price	\$0.00
Dividend rate	Nil
Volatility rate	72%
Risk free rate	3.01%
Expiration Period	180 days from 31 March 2009
Barrier (20% above 12 month average share price during the year ended 31 March 2009)	\$0.011
Number of Options	20,000,000
Valuation per Option	\$0.003
Valuation	\$60,000

9. Resolution 8 – Approval of Issue of Shares to Alpha Securities Pty Ltd

9.1 General

The Company proposes to issue Alpha Securities Pty Ltd (and/or its nominee) 2,051,282 fully paid ordinary shares in the Company on the terms and conditions set out in paragraph 9.3 below. The shares proposed to be issued pursuant to a consultancy agreement between the Company and Alpha Securities Pty Ltd dated 27 April 2009 and are in consideration of promotional services to be provided to the Company by Alpha Securities Pty Ltd during the next 12 months to the value of \$80,000.

9.2 ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that without the approval of shareholders, the Company must not issue or agree to issue more equity securities if such issue, when aggregated with the securities issued by the Company during the previous 12 months, would be an amount that would exceed 15% of the issued shares at the commencement of that 12 month period (subject to certain exceptions that are not relevant to the Company's present circumstances).

9.3 Technical Information required by ASX Listing Rule 7.3

In compliance with ASX Listing Rule 7.3, the following information is provided

- (a) ASX Listing Rule 7.3.1: Maximum number of securities to be issued pursuant to Resolution 8.

2,051,282 fully paid ordinary shares in the Company.

- (b) ASX Listing Rule 7.3.2 and 7.3.7: Date by which securities will be issued and allotted

If shareholder approval is obtained, the issue and allotment of the shares to Alpha Securities Pty Ltd and/or its nominee will occur on a date which is not later than three months after the date of the Extraordinary General Meeting or such later time as deemed appropriate by an ASX waiver.

- (c) ASX Listing Rule 7.3.3: Issue price of securities

The shares will be issued at an issue price of \$0.039 per share.

- (d) ASX Listing Rule 7.3.4: Name of allottees

Alpha Securities Pty Ltd and/or its nominee.

- (e) ASX Listing Rule 7.3.5: Terms of securities

The Company will apply to ASX to have the shares issued to Alpha Securities Pty Ltd and/or its nominee quoted and these shares will rank equally with all other shares of the Company on issue. Once the shares are issued to Alpha Securities Pty Ltd and/or his nominee, the rights and entitlements of Alpha Securities Pty Ltd and/or its nominee as shareholder of the Company will be identical to the rights and entitlements of the holders of issued shares in the Company.

- (f) ASX Listing Rule 7.3.6: Intended use of the funds raised

No funds will be raised from the issue of shares to Alpha Securities Pty Ltd as the shares were issued pursuant to a consultancy agreement between the Company and Alpha Securities Pty Ltd dated 27 April 2009 and are in consideration of promotional services to be provided to the Company by Alpha Securities Pty Ltd during the next 12 months to the value of \$80,000.

- (g) ASX Listing Rule 7.3.8: Voting exclusion statement

A voting exclusion statement is included in the Notice accompanying this Explanatory Statement.

9.4 Director's Recommendation

The directors of the Company recommend that shareholders approve Resolution 8 to approve the issue of shares to Alpha Securities Pty Ltd and/or its nominee.

10. Resolution 9 – Approval of Issue of Shares to APEC Group Pty Limited

10.1 General

The Company proposes to issue APEC Group Pty Limited (and/or its nominee) 1,025,641 fully paid ordinary shares in the Company on the terms and conditions set out in paragraph 10.3 below. The shares proposed to be issued pursuant to a consultancy agreement between the Company and APEC Group Pty Limited dated 27 April 2009 and are in consideration of promotional services to be provided to the Company by APEC Group Pty Limited during the next 12 months to the value of \$40,000. APEC

Group Pty Ltd is also entitled to a cash payment of \$25,000 per annum under that agreement.

10.2 ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that without the approval of shareholders, the Company must not issue or agree to issue more equity securities if such issue, when aggregated with the securities issued by the Company during the previous 12 months, would be an amount that would exceed 15% of the issued shares at the commencement of that 12 month period (subject to certain exceptions that are not relevant to the Company's present circumstances).

10.3 Technical Information required by ASX Listing Rule 7.3

In compliance with ASX Listing Rule 7.3, the following information is provided

- (a) ASX Listing Rule 7.3.1: Maximum number of securities to be issued pursuant to Resolution 9.

1,025,641 fully paid ordinary shares in the Company.

- (b) ASX Listing Rule 7.3.2 and 7.3.7: Date by which securities will be issued and allotted

If shareholder approval is obtained, the issue and allotment of the shares to APEC Group Pty Limited and/or its nominee will occur on a date which is not later than three months after the date of the Extraordinary General Meeting or such later time as deemed appropriate by an ASX waiver.

- (c) ASX Listing Rule 7.3.3: Issue price of securities

The shares will be issued at an issue price of \$0.039 per share.

- (d) ASX Listing Rule 7.3.4: Name of allottees

APEC Group Pty Limited and/or its nominee.

- (e) ASX Listing Rule 7.3.5: Terms of securities

The Company will apply to ASX to have the shares issued to APEC Group Pty Limited and/ or its nominee quoted and these shares will rank equally with all other shares of the Company on issue. Once the shares are issued to APEC Group Pty Limited and/or his nominee, the rights and entitlements of APEC Group Pty Limited and/or its nominee as shareholder of the Company will be identical to the rights and entitlements of the holders of issued shares in the Company.

- (f) ASX Listing Rule 7.3.6: Intended use of the funds raised

No funds will be raised from the issue of shares to APEC Group Pty Limited as the shares were issued pursuant to a consultancy agreement between the Company and APEC Group Pty Limited dated 27 April 2009 and are in consideration of promotional services to be provided to the Company by APEC Group Pty Limited during the next 12 months to the value of \$40,000.

- (g) ASX Listing Rule 7.3.8: Voting exclusion statement

A voting exclusion statement is included in the Notice accompanying this Explanatory Statement.

10.4 Director's Recommendation

The directors of the Company recommend that shareholders approve Resolution 9 to approve the issue of shares to Alpha Securities Pty Ltd and/or its nominee.

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Annexure A – Terms and Conditions of Options

1. Each option entitles the holder to subscribe for 1 fully paid ordinary share in the Company.
2. Vesting of the options is subject to the following conditions being met:
 - (a) the holder remains a director of the Company during the period commencing on the date the Company issues the option and ending at 5pm (Sydney, NSW time) on 15 September 2009;
 - (b) the Company secures a \$12 million finance facility during the period commencing on 1 January 2009 and ending at 5pm (Sydney, NSW time) on 15 September 2009; and
 - (c) the Company's share price on ASX reaches \$0.011 and stays at or above that amount for a consecutive period of 30 days during the period commencing on 1 January 2009 and ending at 5pm (Sydney, NSW time) on 15 September 2009.
3. Despite any other paragraph of these terms, all options will immediately vest in the holder on the occurrence of either of the following events:
 - (a) the offer under a takeover bid or announcement acquires (unconditionally) in excess of 50% of the issued voting shares of the Company; or
 - (b) as a result of the approval of one or more schemes of arrangement any person who is not at the date of issue of the options in control of the Company acquires in excess of 50% of the issued voting shares of the Company.
4. Each option may be exercised for nil consideration at any time during the period commencing on the date the options vest pursuant to paragraph 2 or 3 of these terms and ending at 5:00 pm (Sydney, NSW time) on 30 September 2009 (**Expiry Date**) by completing the option exercise form and delivering it to the registered office of the Company. Any option that has not been exercised prior to the Expiry Date automatically lapses.
5. An exercise of only some options will not affect the rights of the holder under the balance of the options held by him or her as appropriate
6. The Company will not apply for official quotation on ASX of the options.
7. The options are non-transferable other than to a trustee of a superannuation fund or other entity controlled by the holder and may not be sold, assigned, transferred or otherwise dealt with in any way.
8. The Company will not be bound to recognise any transfer of options pursuant to paragraph 7 until a copy of the duly executed instrument of transfer is lodged with the Company. The instrument of transfer must be duly stamped and lodged at the registered office of the Company, together any other information as the Company may reasonably require with respect to the transfer.

9. Shares issued upon the exercise of options will rank pari passu with the Company's fully paid ordinary shares and will have the same voting and other rights as the existing shares of the Company, which are set out in the Company's Constitution, ASX Listing Rules and the Corporations Act.
10. The Company will apply for official quotation by ASX of all shares issued upon exercise of options, subject to any restriction obligations imposed by ASX.
11. The options will not give any right to participate in dividends until shares are issued pursuant to the exercise of the relevant options.
12. There are no participation rights or entitlements inherent in the options and holders will not be entitled to participate in new issues of capital offered to shareholders during the currency of the options. The Company will ensure that holders will be allowed at least seven business days notice to allow for the conversion of options prior to the record date in relation to any offers of securities made to shareholders.
13. In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company prior to the Expiry Date, the number of options or the rights attaching to the options or both shall be reconstructed in accordance with the ASX Listing Rules applying to a reorganisation of capital at the time of the reconstruction.

Proxy Form – Prima Biomed Ltd

ACN 009 237 889

The Company Secretary
Prima Biomed Ltd
c/- The CFO Solution
Suite 1, 1233 High Street
ARMADALE VIC 3143

I/We

of

being a member/(s) of Prima Biomed Ltd (**Company**) holding _____ ordinary shares appoint

Name of Proxy

Address of Proxy

or failing the person named, or if no person is named, the Chairman, as proxy to vote on my/our behalf at the Extraordinary General Meeting of the Company to be held at The CFO Solution, Level 7, 151 Macquarie Street, Sydney, NSW, 2000 on Friday, 26 June 2009 at 11am, and at any adjourned meeting.

Proxy Instructions

If you wish to direct your proxy how to vote with respect to the proposed resolution, please indicate the manner in which your proxy is to vote by placing an "X" in the appropriate box below, otherwise your proxy may vote as they think fit.

Resolution	For	Against	Abstain
Resolution 1 – Approval of issue of shares under Share Purchase Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 – Ratification of previous issue of shares to The CFO Solution Team Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 - Approval of grant of conversion right to Lucy Turnbull	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 - Approval of issue of shares to Investors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 - Approval of issue of options to Ata Gokyildirim	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 - Approval of issue of options to Dr Richard Hammel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7 - Approval of issue of options to Martin Rogers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8 – Approval of issue of shares to Alpha Securities Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9 – Approval of issue of shares to APEC Group Pty Limited	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If you mark the "Abstain" box for a particular resolution, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

If you have not named a person to act as your proxy, the Chairman will be appointed as your proxy, and will vote all undirected proxies in favour of all the Resolutions. If the Chairman of the meeting is appointed as your proxy, or may be appointed by default and you do not wish to direct your proxy how to vote as your proxy in respect of a resolution, please place a mark in this box. By marking the box, you acknowledge that the Chairman may exercise your proxy even if that person has an interest in the outcome of the resolution and votes cast other than as proxy holder will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chairman will not cast your votes on the resolution and your votes will not be counted in calculating the required majority if a poll is called on the resolution.

If two proxies are being appointed, the proportion of voting rights this proxy represents is _____ %

Signing Instructions

You must sign this form as follows in the space provided below:

Individuals and joint holders: where the holding is in one name, the holder must sign. Where the holding is in more than one name, all of the shareholders should sign.

Power of Attorney: to sign under Power of Attorney, you must attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a sole director or a sole director and secretary, this form must be signed by that person. Otherwise, this form must be signed by two directors or a director and a secretary.

Individuals and Joint Holder

Individuals and joint holders

Signature

Signature

Date _____

Daytime Contact Number _____

Companies

Director

Director / Secretary

This proxy and any power of attorney or other authority under which it is signed (or a certified copy) must be lodged:

- (a) by posting it to c/- Prima Biomed Ltd, Suite 1, 1233 High St, Armadale, VIC, 3143
- (b) by faxing it to (03) 9822 7735,

by 11.00am (Melbourne, Victoria time), Wednesday, 24 June 2009, being not less than 48 hours before the time for holding the meeting or adjourned meeting as the case may be.