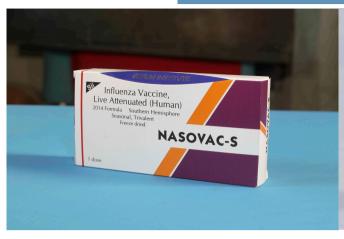


Update

DECEMBER 2014





LAIV influenza program reaches commercial milestone with approval and launch of Nasovac-S in India. Nasovac-S is a seasonal influenza vaccine (intranasal) based on BioDiem's LAIV technology.

LETTER FROM THE CEO

Dear Shareholders,

As the year speeds to a close, I am writing to give you an update on some company activities, and advise you of the approaching expiry of the options issued as part of the 2012 rights issue i.e. 31st December 2014.

Not all our shareholders have these share options. If you are on the share registry list for options, you will find the necessary documents for exercise of the options accompanying this newsletter. If you need any assistance or have any questions, please contact our office on (03) 9692 7240 or jphillips@biodiem.com.

In other news our BDM-I antimicrobial program has progressed well and as foreshadowed at the AGM, the Board has reviewed the best strategy to

accelerate BDM-I's development. Through presentations in Singapore and Australia we have received interest to fund the BDM-I project to the next stage, to prepare for proof-of-concept studies. New formulation work needs to be undertaken for this next stage. This is a very exciting project and we are not surprised that so much interest has been generated.

BDM-I has:

- already encouraging data
- granted patents around the
- shown activity (in the lab)
 against serious disease-causing
 germs, and
- commercial interest.

At the AGM, Dr Slade Jensen, presented his results on BDM-I. Overleaf you will see his message about this work.

I hope you enjoy this newsletter and invite you to join our email list to stay in contact with us. As there is more news we will share it with you.

Please do call the office if you have any questions, preferably before 19th December 2014.

Thank you for your ongoing support, and best wishes to you and your families for a happy and safe holiday season.

Julie Phillips

BioDiem director receives prestigious award

Following a decree by Russian President Putin, the Governor of St Petersburg, confers the Order of Friendship decoration on Professor Rudenko. The Order of Friendship is awarded to Russian and foreign nationals for special merit in strengthening peace, friendship, cooperation and understanding between nations including for contribution to the implementation of joint ventures with the Russian Federation, major economic projects and attracting investments into the economy of the Russian Federation; for broad charitable activities. Congratulations Professor Rudenko!



ATTENTION BIODIEM OPTION HOLDERS

BioDiem options which were issued in 2012 following the rights issue will expire on 31st December 2014.

Option holders are advised to consider whether they wish to exercise their options and contact the company if assistance is required.

The options are exercisable at 8c each.

WANT TO BUY OR SELL BIODIEM SHARES?

DFS Equities is a Sydney based financial services company which has extensive experience in all aspects of transaction administration in unlisted securities. The company has been providing financial administration assistance and advice to retail and institutional clients since 2000.

Specifically, DFS Equities is taking enquiries from BDM shareholders and other parties who wish to buy or sell BioDiem securities. A Register of Interest is maintained which records buying and selling expressions of interest.

Enquiries & Contacts

DFS Equities

Contact: Jim Purnell

PH: +61 2 9844 5458 (this is a dedicated line for BioDiem enquiries)

FAX: +61 2 9844 5445

Email: jpurnell@dfsequities.com.au



Message from Associate Professor Slade Jensen, Laboratory Head, ARMEG,
Microbiology and Infectious Diseases, School of Medicine, University of
Western Sydney

BDM-I LAB RESULTS GENERATE MORE INTEREST

Pathogenic (disease-causing) bacteria methicillin-resistant such Staphylococcus (or "Golden aureus Staph") vancomycin-resistant enterococci (VRE), are a major cause hospital-acquired infections worldwide and are responsible for significant morbidity and mortality; the intractability of such infections and consequential healthcare costs make them an issue of significant social and economic consequence. Over the last 10-20 years increased drug resistance 'last-line' (last-option) antimicrobials, such as vancomycin and daptomycin, has emerged and is associated with clinical failure or disease persistence.

BDM-I represents a novel compound that demonstrates activity against a broad range of microorganisms, including "Golden Staph" and VRE. In this respect, preliminary studies in my laboratory (School of Medicine, University of Western Sydney) have revealed that BDM-I could be used as a treatment option for blood stream infections associated with such pathogens. As such, due to the increasing problem of antimicrobial resistance and lack of drug development, it is essential that we further explore the utility of this most promising anti-infective.

Join our emailing list:

Please contact the office on (03) 9692 7240 or email info@biodiem.com

to join or for any company information.