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ASX Announcement

BioDiem acquires rights to novel hepatitis vaccine technology from University of Canberra

Highlights

- Agreement signed to grant BioDiem exclusive license to novel vaccine technology
- New technology has myriad potential targets. Research to date supports hepatitis indication
- Includes collaborative research program with the University of Canberra

Melbourne, 26 June 2012: Australian infectious disease therapy and vaccine development company BioDiem Ltd (ASX: BDM) announced today that it has signed an agreement to license a novel vaccine technology from the University of Canberra, expanding the potential disease targets of BioDiem's technology portfolio. Research to date supports the technology's use in the development of vaccines for hepatitis including hepatitis B and D, which currently have no curative treatment.

Hepatitis is a significant global health issue, affecting hundreds of millions of people worldwide. Largely caused by viral infection, the disease involves inflammation of the liver and can lead to loss of appetite, jaundice, fatigue, nausea and in severe cases liver failure and death. It is estimated that in the US alone approximately 800,000 – 1.4 million people live with chronic hepatitis B infection, and 38,000 people are newly infected with the disease each year. Hepatitis D is a less common disease and infects only those already infected with hepatitis B. It has a 20% mortality rate. In developed countries patient costs are significant, as antiviral drugs are not curative and treatment can be ongoing. In severe disease, liver transplantation can be the only option – an expensive and complicated treatment approach.

The new agreement provides BioDiem with an exclusive license to a novel vaccine technology which, although in development for hepatitis, may also have applicability in a range of other diseases. All terms are in keeping with industry standards, and as part of the agreement BioDiem has established a collaborative research program with the University of Canberra to develop the technology further.

The University of Canberra is one of Australia's leading research universities with a highly collaborative research culture, with a focus on applied research in areas aligned with the needs of its local community as well as national and international research priorities.

This acquisition complements BioDiem's broad product portfolio of vaccine and antimicrobial technologies, and the Company's strategy to provide treatments for infectious diseases with attractive market potential. Acquisitions like the SAVINE technology (announced in December 2011) and the recent licensing of an Australian National University vaccine technology expand the Company's potential disease targets and technology portfolio, as well as providing more opportunities for outlicensing of technologies after cost-effective, often collaborative research work.

"We're very pleased to establish an important research partnership with the University of Canberra and its world-leading researchers. This technology is built on excellent science and the potential applications in hepatitis are very exciting. As with our other recent acquisitions we have the in-house expertise to significantly boost the value of this asset, and believe that development towards a high-value orphan indication may allow us to achieve a rapid entry to clinical trials and eventual outlicensing," said BioDiem CEO Julie Phillips.

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About BioDiem Ltd

BioDiem is an ASX-listed company based in Melbourne with an international focus on discovering, developing and commercialising world-class research and technology targeting cancers and infectious diseases. BioDiem's core technologies include the Live Attenuated Influenza Virus (LAIV), the Savine platform and the BDM-I antimicrobial compound.

The LAIV influenza vaccine is an intranasal vaccine to prevent infection from seasonal and pandemic influenza. The LAIV influenza vaccine can be produced using both egg-based and cell-based manufacturing methods. The cell-based LAIV vaccine has completed a Phase II clinical trial in Europe. The egg-based LAIV vaccine technology is licensed to the World Health Organization as part of the Global Pandemic Influenza Action Plan to Increase Vaccine Supply.

The LAIV influenza vaccine is marketed as Nasovac™ in India by the Serum Institute of India, and has been licensed to China-based Changchun BCHT Biotechnology Co. The LAIV vaccine was in-licensed from the Institute of Experimental Medicine in St Petersburg, Russia where it has been used for over a decade in many millions of people - children, adults and the elderly. The LAIV is administered by nasal spray and induces a rapid immune response in the mucosal lining of the nose and pharynx.

The LAIV is also being developed as a viral vector for making novel non-influenza vaccines for different diseases including cancers. Viruses have the ability to generate proteins prolifically and can be programmed to produce disease-specific proteins. As part of a vaccine, disease-specific proteins can help generate a beneficial immune response.

SAVINE (patented Scrambled Antigen Vaccine) is a platform technology for the design of antigens for incorporation into vaccines targeting an immune response to a range of different diseases. SAVINE antigens are encoded as synthetic genes which, together with a delivery technology such as BioDiem's LAIV-based vaccine vector technology, can be used to develop novel vaccines.

BDM-I is a synthetic compound targeted at the treatment of serious human infections. BDM-I is in the preclinical stage with outlicensing as the intended outcome. BDM-I is active against a range of pathogenic micro-organisms including gram-positive and gram-negative bacteria, fungi and protozoa. Key patents have been filed around BDM-I's antimicrobial activity, including for activity against *Plasmodium falciparum*, responsible for causing the most commonly severe form of malaria, and *Trichomonas vaginalis*, the protozoan responsible for causing a common sexually transmitted disease named trichomoniasis.

BioDiem is also developing BDM-E, a tetra peptide synthetic compound, as a treatment for ophthalmic disorders. The US Food & Drug Administration (USFDA) has granted Orphan Drug designation to BDM-E for the treatment of retinitis pigmentosa, a serious degenerative disease of the retina.

BioDiem's research is ongoing in partnerships with internationally recognised laboratories.

For additional information, please visit www.biodiem.com

About University of Canberra

The University of Canberra has a dynamic, innovative and collaborative research culture with a focus on applied research in areas aligned with the needs of our local community as well as national and international research priorities.

External collaboration and engagement with academic, government, industry and community partners are highly valued and supported throughout the University's research work.

Thanks to partnerships like this one, the University of Canberra's high-quality researchers are making outstanding contributions to the resilience and health of our communities, the sustainability of our natural and built environments and the effective governance of these communities.

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