



BIODIEM LTD

ABN 20 096 845 993

Level 4,
100 Albert Rd,
South Melbourne, Victoria, 3205
Australia

Phone: +613 9692 7240

Web: www.biodiem.com

**Opal Biosciences Update
Melbourne, 26th August 2015**

Dear Shareholders,

Welcome to Opal Biosciences' new shareholders whose shares and options have now been allocated.

We are very excited about the prospects for Opal and can update you on progress:

- the next stage of development work has commenced, being the new intravenous formulation. This will be undertaken by a specialist formulation group in the UK.
- additional studies including the program's preliminary Safety Screening and Cytotoxicity profiling, have been commissioned;
- mechanism of action studies continue at Ingham Research Institute/University of Western Sydney with Associate Prof Slade Jensen; and
- further screening studies by US labs to look for BDM-I activity against newly emerging antibiotic-resistant bacterial strains of concern, have been offered and accepted.

The Opal Biosciences capital raising is still open to "sophisticated investors". This month I was in Singapore and met with some financial institutions and other sophisticated investors to gain more investment into Opal. The presentations were received very favourably and I will follow up with these groups while they review their potential for investment.

As results become available from this work I will keep you updated. For this year only, we will not have a separate annual report however it will be included within the BioDiem group report.

Thank you for your support.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Julie Phillips", written over a large, stylized, light-colored oval shape.

Julie Phillips

Chief Executive Officer

BioDiem Ltd

Phone + 61 3 9692 7240

Twitter @biodiem @opalbiosciences

Email jphillips@biodiem.com

- ENDS -

About BioDiem Ltd

BioDiem is an Australian biopharmaceutical company that is focussed on developing and commercialising vaccines and infectious disease therapies. BioDiem's business model is to generate income from partnerships including with other vaccine and infectious disease treatment companies through existing and new licences to its LAIV vaccine and other technologies. Income comes from licence fees and royalties on sales.

BioDiem's lead technology is the LAIV (Live Attenuated Influenza Virus) vaccine technology used for production of seasonal and pandemic influenza vaccines and is given intranasally. This technology is licensed currently to two commercial partners, in India and China, and is licenced to the World Health Organisation as part of the Global Pandemic Influenza Action Plan to Increase Vaccine Supply. Serum Institute of India's Nasovac-S™ is based on BioDiem's technology and is already marketed in India.

BioDiem's antimicrobial technology, BDM-I, is being developed through its subsidiary, Opal Biosciences Ltd. For additional information, please visit www.biodiem.com.

About Opal Biosciences Ltd

Opal Biosciences is an Australian biotechnology company and an innovative player in infectious disease treatment. The unmet need for new anti-infectives is due to increasing resistance to existing antibiotics, more widespread and common difficult-to-treat infections, and the paucity of upcoming new treatments. This need has spurred the EU and US to introduce significant financial incentives to encourage development of new anti-infectives. Opal is currently seeking funding to support the next stage of development of our products:

- Opal-I, an injectable product, and
- Opal-T, which can be applied to the skin.

For more information, please visit www.opalbiosciences.com.