

ASX ANNOUNCEMENT

ADMEDUS INCREASES STAKE IN IAN FRAZER'S VACCINES

- Now owns over 66% of Admedus Vaccines
- Positive interim Phase I HSV-2 data
- Phase II HSV-2 programme scheduled to be initiated by end of this year

Brisbane, Australia, 24th July 2014

Admedus (ASX: AHZ) today announced that it has increased its ownership in Admedus Vaccines, the platform vaccine development company led by Professor Ian Frazer. Over the last twelve months Admedus has increased its holding from 50.1% to 66.3%.

"This is in-keeping with our planned use of funds from the recent capital raising and reflects the ongoing positive progress being made by Professor Ian Frazer and the therapeutic vaccines development team" said Admedus CEO Mr. Lee Rodne.

Earlier this year Admedus announced positive interim results from the Phase I Herpes Simplex 2 (HSV-2) therapeutic vaccine trial. The Company is scheduled to report additional data this quarter, once confirmatory assays have been completed. The current investment, ahead of these results, is designated to fund the planned Phase II HSV-2 study which is due to be initiated by the end of 2014.

"The progress being made by Professor Frazer and the team is extremely positive and adds to the growth potential of Admedus. We are dedicated to the continued development of these programmes as they have the potential to provide a therapy for millions of people affected by a range of diseases" said Mr. Rodne.

The team is also continuing the pre-clinical work on the Human Papillomavirus (HPV) therapeutic vaccines. The Phase I study provides a level of validation to the technology which can be applied to a number of viral, bacterial and oncological targets.

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About Admedus Limited

Admedus (ASX: AHZ) is a diversified healthcare company focused on investing in and developing next generation technologies with world class partners, acquiring strategic assets to grow its product and service offerings and expanding revenues from its existing profitable medical sales and distribution business. The Company has assets

from research & development through clinical development as well as sales, marketing and distribution.

Admedus is in the process of commercialising its innovative tissue engineering technology for regenerative medicine. Admedus also has a major interest in developing the next generation of vaccines with a Brisbane-based research group led by Professor Ian Frazer. The vaccine programmes target disease with significant global potential such as Herpes and Human Papillomavirus.

Further information on the Company can be found on www.admedus.com

About Admedus Vaccines

Admedus Vaccines was founded in 2000 by the founder inventor Professor Ian Frazer as a private unlisted company, to develop and commercialise patented technology for improving immune responses to DNA vaccines licensed by UniQuest Pty Ltd and developed at the University of Queensland. The company has laboratories within the Translational Research Institute at the Princess Alexandra Hospital in Brisbane, working in collaboration with the University of Queensland's Diamantina Institute. The company's overall objective is to utilise its unique optimisation technology to produce prophylactic and/or therapeutic DNA vaccines for a range of infectious diseases and cancers in humans. Product development is currently focused on Herpes virus vaccines.

About Admedus Vaccines optimised technology

Admedus Vaccines has 6 granted US patents protecting its codon optimisation DNA technology, which enhances protein expression in the cell or tissue targeted and results in an improved humoral response. The second component of the technology, also patent protected, is to use a mixture of DNAs encoding ubiquitinated and non ubiquitinated proteins. This strategy enhances the degradation of the protein and optimises T cell responses, while preserving structural epitopes necessary for B cell responses, resulting in vaccines with both prophylactic and therapeutic potential.

About Genital Herpes

This disease often results in recurrent painful sores in the genital area. HSV-2 is the major causative agent of genital herpes. As well as pain and discomfort to infected individuals, the virus can have serious health implications for babies born to infected women. Herpes is also believed to aid in the transmission of HIV. Current Herpes treatment involves the use of antiviral drugs which can reduce, but not eliminate, outbreaks and shedding and therefore do not prevent spread of the disease. According to research reported in Biomed Central's journal BMC Infectious Diseases, the economic burden of genital HSV infection and resulting complications has been estimated to be greater than \$1 billion annually in the USA alone.