VRI
BioMedical

10th July 2003

The Company Announcements Office
Australian Stock Exchange

VRI BioMedical Limited announces a capital raising of approximately $4.3 million to drive the development, marketing and distribution of its probiotic and diagnostic products with a focus on clinical trials.

The Company has issued 6 million shares to institutional and sophisticated investors of Burdett Buckeridge Young ("BBY") at $0.25 per share to raise $1.5 million.

The Company is also conducting a non-renounceable rights issue offering existing shareholders one new share for every 6 shares held at the record date at a price of $0.25 per share and a free option for each share subscribed for. The options will be on the same terms as the options currently on issue and will be listed. The institutional and sophisticated investors who participated in the placement will be entitled to participate in the rights issue. The rights issue will raise an additional $2.8 million and is fully underwritten by BBY, subject to successful lodgement of a prospectus with ASIC.

The money raised will be used for working capital during an important phase of commercialisation and to sponsor clinical trials, which are important in differentiating the Company's world-class products.

For further information please contact Dr Peter French, CEO, on 0412 457 595 or Mr Ron Deane, Chairman, on (03) 59832478