PRIMABioMed LIMITED

COMPANY ANNOUNCEMENT

Prima Biomed's Rheumatoid Arthritis Compound compares favourably in mice with benchmark therapy

11th November 2003

Prima Biomed Limited (ASX: PRR) subsidiary, Arthron Pty Ltd, today announced new data from its preclinical drug development program for rheumatoid arthritis indicating that a short course of treatment with its compounds can result in sustained suppression of the debilitating autoimmune disease.

"These advances contribute greatly to the Arthron technology and once confirmed will add further value to the intellectual property package that the company intends to licence," said Mr Marcus Clark, Chief Executive Officer of Prima Biomed.

"The majority of existing drugs for rheumatoid arthritis are administered routinely for long periods of time to control disease. Arthron has compared its drugs to methotrexate, an immunosuppressive drug widely used to treat rheumatoid arthritis. In preliminary studies when methotrexate therapy ceases, disease develops in mice and within three weeks the mice have severe disease (equivalent to untreated mice). When the Arthron drug was withdrawn, there was little further development of the disease in these mice. Therapeutically, this could eliminate the need for frequent administration of therapy.

"The critical difference with Arthron's compounds is that the treatment is targeted much closer to the source of rheumatoid arthritis compared with existing drug targets. Thus the long term effects seen could relate to inhibition of thi s upstream target.

These findings further validate past results where scientists at Melbourne's Austin Research Institute identified the Fc receptor on human white blood cells as a key source of the chemicals that cause inflammation. In the animal models the drugs have been effective in inhibiting activity of this receptor and suppressing inflammation.

Arthron has a significant intellectual property portfolio surrounding the Fc receptor and the company has developed a data package demonstrating that the Fc receptor is a valid pharmaceutical target for the development of drugs to treat rheumatoid arthritis. Arthron is currently in discussions with a number of companies to co-develop and license the technology to secure access to additional expertise and resources to develop a marketable drug for testing in human clinical trials. The Fc receptor is a target that is located higher up the inflammatory cascade and its inhibition may offer substantial advantages over existing therapies. Inhibition of the Fc receptor is unlikely to cause general immunosuppressive effects as seen with compounds such as methotrexate, and as the Fc receptor is responsible for the release of the inflammatory chemicals, it has the potential to offer significant advantages over the various existing treatments.

About Prima Biomed

Based in Melbourne, Prima Biomed (ASX: PRR) is a biotechnology organisation with first and last rights over technologies from the Austin Research Institute. Prima Biomed specialises in immunology and cancer immunotherapy and adopts technology development that shows potential for commercial returns within three years.

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