

COMPANY ANNOUNCEMENT

Further details relating to licensing deal with U.S. biopharmaceutical company ZymoGenetics for rights to Prima's anti-inflammatory Fc receptor technology

Melbourne, Australia. 16 December, 2004: Prima Biomed (ASX:PRR) yesterday announced the completion of negotiations with U.S. biopharmaceutical company ZymoGenetics Inc, granting the company a worldwide non-exclusive option with right of first refusal to develop biological inhibitors to Prima's anti inflammatory Fc receptor.

Prima has today provided further details regarding the potential for significant milestone payments. It was reported that ZymoGenetics will pay Arthron an option fee of \$US100,000 for the first year, a second year option fee of \$US150,000 and a fee of \$US500,000 if the company chooses to secure exclusive license to the technology. Additionally, Prima may earn potential milestone payments of up to \$US20m (the details of which are commercial in confidence) as the technology is developed and commercialised. Milestone payments relate to clinical trial developments through an IND process, regulatory submissions and approvals. Additional sales bonuses and royalties rates on potential future product sales are undisclosed.

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This release may contain forward-looking statements. Various factors could cause actual results to differ materially from those projected in forward-looking statements, including those predicting the timing and results of clinical trials, interpretation and implications of such results, availability or adequacy of financing, the sales and marketing of commercial products or the efficacy of products. Although the Company believes that the forward - looking statements contained herein are reasonable, it can give no assurance that the Company's expectations are correct. All forward - looking statements are expressly qualified in their entirety by this cautionary statement.