PRIMABioMed LIMITED

Milestone

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On The Road – An insight into the common questions asked by the investment market

Prima Biomed has just completed an investor road show in Melbourne and Sydney to update brokers, analysts, and current and potential investors. We are beginning to see an awakening to the new Prima Biomed story and investment opportunities. We thought we'd take the opportunity to share some of the questions that arose during the road show with you.

The answers were provided collectively by Executive Chairman Eugene Kopp, Chief Executive Officer Marcus Clark and Business Development & IP Manager Vanessa Waddell.

Q. What are the areas of the business the investment market is now valuing?
A: The analysts, fund managers and brokers are very focussed on the oncology products and in particular the progress of the clinical trial with CVac™. They appeared very supportive of the company's progress to focus resources and expenditure in oncology.

Q. What stage is the company at in its corporate strategy of focussing activities in oncology?
A. The process began in July last year where we set ourselves the task of divesting of the non oncology assets and evaluating the priorities of the oncology assets. We have:

1. Divested the Fc Receptor program in Arthron by completing a value adding deal with Trillium Therapeutics Inc.
2. Re-evaluated our position in Panvax and decided that the costs and timeframes to complete a Phase II clinical trial were beyond our in house capacity. We appointed a group, BioBridge Pty Ltd to out licence the technology and we expect feedback in the first quarter of next year as the roadshow commences early in the quarter.
3. Spent considerable time on compiling the technology documentation surrounding the Phase IIa clinical trial with CVac™ in ovarian cancer to ensure we are ready to transition the data to Biomira should they elect their right to a licence.

Q. This time next year, how will Prima's business have changed?
A: Prima will be a biotechnology company solely focussed on the development of oncology products. We would expect to be in a pivotal clinical trial for the CVac™ product and have formalised arrangements with Biomira and a local company to provide the manufacturing and distribution expertise and capacity for delivery of cell based therapies in Australia and New Zealand for the treatment of cancer. Our second tier oncology product in Oncomab should have completed proof of concept studies in animals and we will have made decisions with our development partner, Medarex Inc, on how to move forward. We would also anticipate that our non oncology assets have been positioned to provide future income flow through licences or trade sale agreements.

Q. Prima has made considerable progress since the decision was taken to divest Arthron and focus on cancer. What remains to be done to complete the shift?
A: The assets in Panvax will be divested via licensing or a collaboration which will seek to have the 3rd party invest in the technology in return for subsequent commercialisation rights. Panvax's DCtag™ technology package provides a very comprehensive profile of a broad spectrum vaccine adjuvant demonstrating both therapeutic and preventive activity. There remains a gap in the market for such technology and we anticipate identifying a number of potential licencees.

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Q: Prima is currently conducting a Phase II clinical trial for ovarian cancer. Is CVac™ applicable to other cancers?
A: CVac™ should be applicable to many cancers. The product targets MUC-1 (Mucin-1), a protein expressed on breast, colon, prostate, ovarian, pancreatic, lung, kidney cancers. The Phase I clinical trials were conducted in patients with a various range of cancers. Two of these patients (one with ovarian and one with kidney cancer) demonstrated remarkable results and showed a response to the CVac™ vaccine over 3 years. One of those patients is still taking the product today.

Q. Why did the Company decide to investigate the effect of CVac™ in ovarian cancer?
A: The reason ovarian cancer was chosen for the Phase IIa trial was because we had seen an effect against this tumour type in the Phase I trial and we would be able to monitor effect on tumour growth as the primary endpoint as there is a well established blood marker, CA125, by which we can monitor progress. Ovarian cancer is a highly aggressive form of cancer which generally relapses within two years of initial diagnosis and has very poor 5 year survival rate after diagnosis. After initial chemotherapy there are a considerable number of patients relapsing and CVac™ is being tested to see if secondary tumour growth can be deferred and time to relapse extended.

Q: How quickly does CVac™ start acting and why would you need multiple doses?
A: The Phase I clinical trial demonstrated that CVac™ provokes an immune response after the second dose. We also saw patients respond to subsequent doses of CVac™. The number of doses required to produce long term memory in the immune system so as to maintain surveillance against tumour growth is still problematical and thus we continue to dose patients in line with the dosing schedule established in the Phase I study. The current Phase IIa trial in ovarian cancer will demonstrate the timing of effective dosing as patients will be tested monthly for CA125 and immune responses. The CA125 marker is indicative of tumour progression. The higher the marker level, the more aggressive the cancer is becoming.

Q. How does a vaccine work in cancer?
A: The principle behind CVac™'s technology is to firstly make the immune system recognise proteins on cancer cells as foreign and then increase the body's response to these cancer proteins by manipulating specialised cells of the immune system known as dendritic cells (DC). These cells are isolated from the patient's blood and then treated with Mannan Fusion Protein (mannose sugars attached to the mucin1 cancer protein) before being reintroduced to the patient. The cell treatment process takes 6 days and teaches the dendritic cells how to recognize the cancer cells, much like training a sniffer dog to recognize a scent. When these *"trained"* cells are reintroduced into the body they in turn recruit and teach the rest of the immune system to recognise the cancer cells. To help the immune system maintain this *"seek and destroy"* behavior, ongoing doses of CVac™ are used to *"prime"* the immune system.

Q: Why has the patient population for the trial been expanded to 30 and when is the study due to be completed?
A: The trial was designed to recruit 20 patients which our staticians and clinicians estimated would be sufficient to determine a clinically meaningful response. For patients to be evaluated they need to have participated in the trial for a minimum of 10 weeks. The patients in the trial have already failed conventional treatment and have an advanced form of ovarian cancer and in some cases this has meant they did not stay on treatment for a sufficient period to allow the efficacy of their vaccine treatment to be evaluated. To obtain the necessary information we sought approval to expand the number of patients to 30. We anticipate finishing recruitment early in the New Year and the final report is due in Q3 2006. A further interim analysis will be undertaken and evaluated by our Scientific Advisory Panel and reported to Biomira.

Q: Can Prima develop CVac™ for other markets outside the US?
A: Prima can commercialise CVac™ in Australia and New Zealand. This would involve undertaking at least one Phase IIb trial and depending on the results it could be used for submitting CVac™ for registration to the TGA (Therapeutic Goods Administration) for approval. Due to the differences between the Australian TGA and the US FDA (Food and Drug Administration) it may be faster to register the product in Australia. Prima will be considering all available options at the appropriate time. Our contract manufacturer, Cell Therapies Pty Ltd has been progressing discussions with cell therapy service providers outside of Australia and we are looking at opportunities that may be useful for ourselves and Biomira.

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Sale of Arthron

Prima announced early in October 2005 the sale of the assets of its subsidiary, Arthron Pty Ltd, to Trillium Therapeutics Inc., so bringing to completion the company's stated intention to divest the anti-inflammatory project and focus on immunotherapeutic treatments for cancer.

On 5 December, the agreement with Trillium settled with Prima receiving US$500,000 and 1.2 million shares in Trillium.

This divestment was an important element of Prima's strategy to concentrate on the development of its oncology programs, which the Board and management deemed the most likely approach to delivering value to shareholders.

Trillium is a private Canadian research and development company specialising in therapies that restore balance to the immune system in conditions such as autoimmune and inflammatory disorders.

Key Trillium investors are some of Canada's leading venture capitalists including VenGrowth Advanced Life Sciences Fund, the Business Development Bank of Canada, and the Canadian Medical Discovery Funds.

Prima's initial allocation of 1.2 million shares gives Prima 7% of the issued shares in Trillium with the potential to increase the shareholding to 19.6 % subject to the achievement of milestones specified in the agreement of sale.

Prima collaborates on new malaria vaccine

- 41% of the world's population live in areas where malaria is transmitted.
- An estimated 0.7 - 2.7 million persons die of malaria each year, 75% of them African children.
- In areas of Africa with high malaria transmission, an estimated 990,000 people died of malaria in 1995 – over 2700 deaths per day, or 2 deaths per minute.
- In 2002, malaria was the fourth leading cause of death in children in developing countries, after perinatal conditions (conditions occurring around the time of birth), lower respiratory infections (pneumonias), and diarrhoeal diseases. Malaria caused 10.7% of all children's deaths in developing countries.

Source: Centre for Disease Control website (www.cdc.gov.au)

Malaria continues to be a major health concern world wide with current treatments considered inappropriate or ineffective. Prima announced it would collaborate with the US Walter Reed Army Institute of Research (WRAIR), one of the leading public health institutes worldwide, to develop a malaria vaccine based on Prima's DCtag™ technology.

The Panvax DCtag™ technology has widespread application to any projects involving the development of new vaccines to prevent disease or treatments designed to stimulate the immune system.

A novel application involving DCtag™ evolved with the signing in October of a research agreement between the WRAIR, Panvax and the Austin Research Institute to include the technology in the work-up of a novel malaria vaccine.

The WRAIR wants to couple its proprietary malaria antigens with DCtag™ particles to produce a test vaccine against malaria that will be trialled in animal models. The WRAIR's interest stems from the ability of DCtag™ to stimulate both antibody production and a cellular immune response to neutralise the organisms that cause malaria. Many other malaria vaccines under development around the world produce either antibodies or cellular immune responses, but not both.

The WRAIR is a strategically important research partner for Prima. No organisation in the world can match the organisation's experience in the complete spectrum of malaria research, which is highly relevant to the military because of its prevalence, variety, severity and tendency to drug resistance.

In the event of a successful outcome of the partnered research, Prima has secured the rights to commercialise the technology worldwide, excluding WRAIR's right to use the vaccine for US government purposes. This collaboration gives a lot of credibility to the science of the DCtag™ and will assist the company with the commercialisation strategy to divest via a combination of licensing and partnering.

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A novel approach to cancer therapy - CVAC™

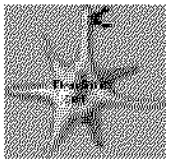
Prima recently announced that it had completed initial recruitment for its Phase IIa clinical trial in ovarian cancer patients at the Austin Hospital in Melbourne, recruiting 20 patients and is now expanding recruitment to 30 patients in total to ensure robust clinical results.

The trial product, CVac™ is a cell based therapy - a new method by which biological agents are being delivered to produce therapeutic effects in cancer. Cell based therapy uses the patient's own cells so it has many safety advantages over conventional cancer therapies, but the process must be highly controlled and monitored. Prima Biomed entered into an agreement with Cell Therapies Pty Ltd, a spin off company from the Peter MacCallum Cancer Institute (PMCI) in Melbourne, to process the patients' cells during the CVac™ clinical trials. Cell Therapies has TGA approval to undertake cell processing and has accredited laboratories for the purpose. Dendritic cell therapy, which is the focus on the CVac™ clinical trial is one form of cell based therapies and the process by which CVac™ is administered is described below:

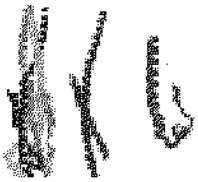
1. A sample of blood is drawn from the patients arm at the Austin Hospital
2. Dendritic cells are isolated from the blood and treated with Prima's vaccine technology - CVac™ by Cell Therapies at PMCI
3. The treated cells are then injected back into the body by the oncologist at the Austin Hospital

Patient

Collection of patient's blood



Isolation of dendritic cells from blood



Treatment of cells with MFP (Mannan Fusion Protein)

MFP treated cells

MFP treated cells reintroduced to patient

Prima's cell processing partner, Cell Therapies, has world class, state of the art facilities. Prima's progress of its investment in this cutting edge area of oncology has been in close collaboration with this company and we anticipate widening that relationship as we attempt to commercialise CVac™ in Australia and New Zealand. Both companies have worked throughout the year to transition the delivery process from the Austin Research Institute into a commercial environment at Cell Therapies to develop a robust and commercial set of processes suitable to initially meet TGA regulatory requirements and thereafter the FDA.