Open letter to shareholders from the Board of Prima BioMed Limited

Key Points:

- ✓ Prima CVac™ technology is a promising program as demonstrated by the strong Phase IIa clinical trial results.
- ✓ Australian gynaecological oncologists are supportive of CVac™ and believe that it is a highly promising cancer immunotherapy that should be progressed further.
- ✓ Prima has secured worldwide commercialisation rights for the Mucin-1 antigen for dendritic cell (DC)-based therapies. Mucin-1 is the therapeutic target for Prima's lead product candidate, CVac™, and Prima now has the opportunity to pursue the development of CVac™ for worldwide registration and marketing.
- ✓ Last week, the U.S. Food and Drug Administration ("FDA") conditionally approved Dendreon's Provenge® prostate cancer product, which utilizes similar technology to CVac™, but postponed granting approval to a full Biologics License Application ("BLA") from Dendreon, pending review of additional clinical and laboratory data.
- ✓ The definitive regulatory approval requirements for worldwide registration of autologous DC therapies are determined by the FDA. For such new therapies, these requirements are updated by the FDA experts based on review of data submissions from pioneer companies like Dendreon.
- ✓ Prima appreciates the need to align its manufacturing and clinical protocols to such updated FDA requirements and is proposing to undertake a "gap analysis" over the course of the next 3-5 months, subject to availability of sufficient funding, to ensure its development program continues on track to achieve successful registration of CVac™.
- ✓ While the FDA decision to postpone approval of a BLA is a setback for Dendreon's product candidate, it does not diminish the attractiveness or potential of the field of autologous DC therapy.

Monday 14th of May 2007, Melbourne, Australia: The Board of Prima BioMed Limited (ASX:PRR) ("Prima") wishes to advise the shareholders of Prima that there has been no change to its ongoing commitment to pursue the development of CVac™ through an internationally focused clinical development program. In accord with the Quarterly announcement on the 28th of April 2007, the company is continuing to hold in-depth due diligence discussions with a number of leading Australian venture capital firms. We will report to the market on the outcome of these discussions as soon as they are completed, probably by the end of this month.

In these circumstances, the Board is concerned that the recent price movement in Prima shares may be speculative in nature and not reflect the fundamental position of the Company. In particular, there is some concern that recent announcements by Dendreon Corporation (Nasdaq: DNDN) ("Dendreon") in the USA concerning the regulatory status of its prostate cancer therapy Provenge® may have been misinterpreted as having a significant impact on the potential for Prima's development program. The Dendreon announcement, in our view, provides no justification for a sharp drop in the value of Prima's securities. If anything, we believe that the outlook for the business and, in particular for the value of CVac™, has been improved by the recent review of Dendreon's clinical data leading to the U.S. Food and Drug Administration ("FDA") requirements for the regulatory path becoming clearer. The review and response have provided Prima with a better defined strategy and set of milestones to support the current development of CVac™.

To expand on that, Dendreon announced that it received a Complete Response Letter, commonly referred to as an "approvable" letter, on May 8, 2007 from the FDA regarding its Biologics License Application (BLA) for Provenge® for the treatment of prostate cancer. The FDA has requested additional clinical data in support of the efficacy claim contained in the BLA. Dendreon is seeking clarification from the FDA as to the nature of the data that is being requested. The FDA has also requested additional information with respect to the chemistry, manufacturing and controls (CMC) section of the BLA, which Dendreon believes it can supply to the FDA in a timely manner.

Whilst successful development and/or commercialisation of CVac™ cannot be assured due to the inherent risks associated with drug development, Prima is continuing to approach the development of this product with full and enthusiastic commitment. That is because there are, at present, no safe and effective treatments available for women diagnosed with ovarian cancer. Prima's CVac™ technology has demonstrated safety in two consecutive trials. The results in the Phase IIa trial have shown significant efficacy in 19% of the evaluable patients that had no other treatment options available to them – a result regarded as meaningful by the clinicians administering the trial. For such patients, the successful development of Prima's CVac™ is literally a matter of life and death, a responsibility that Prima takes very seriously.

FOR FURTHER INFORMATION:

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About Prima BioMed Ltd
Prima BioMed (ASX: PRR) is a biotechnology company based in Melbourne, Australia. The Company is focused on technologies in the fields of immunology and cancer immunotherapy. Prima's is focused on developing a dendritic-cell based immunotherapy targeting mucin-1 tumour expressed antigen. Prima's lead product, CVac™ has completed Phase IIa clinical development in Ovarian Cancer.

For further information, visit www.primabiomed.com.au

About CVac™
CVac™ is an experimental therapy consisting of a patient's own dendritic cells primed with a tumour antigen (Mucin-1) and an adjuvant, Mannan Fusion Protein (MFP) currently being investigated in clinical trials.

MFP refers to the form in which the target protein of the CVac™ immunotherapy is presented to the immune system. The mannan used is a chain of mannose molecules that is oxidised and linked to the cancer protein (Mucin-1). Mannan stimulates the immune system and it is the mannan that results in rapid uptake of Mucin-1 into the dendritic cells of the immune system via the mannose receptor on the cell surface. Once the MFP is inside the dendritic cell, enzymes digest the Mucin-1 and fragments of Mucin-1 are presented on the dendritic cell surface. This presentation results in the stimulation of certain cells of the immune system to target Mucin-1 on the surface of the cancer cells.

About Ovarian Cancer
Ovarian cancer causes a significant burden of disease accounting for 5% of all cancer deaths and is the fifth leading cause of death in women in Canada, the U.S., and Europe. According to the American Cancer Society, in 2006 there are an estimated 20,000 new cases and more than 15,000 deaths from ovarian cancer in the U.S. alone. The front-line treatment for ovarian cancer is typically a combination of a taxane and a platinum drug. An initial response rate of approximately 70 percent to this type of chemotherapy regimen can be anticipated. In spite of initial response rates, recurrence rates among ovarian cancer patients are high and overall long-term survival has not changed significantly over the past 40 years, with five-year survival rates at less than 20 percent.