(ASX Code: PRR)

5 February 2010

Dear shareholder,

LETTER FOR SHAREHOLDERS

Commencement of CVac™ Ovarian Cancer Treatment Vaccine Phase IIb Clinical Trial with FDA

I write to provide you with the latest update on your Company's continuing progress towards commercialising our core product, the **CVac™** ovarian cancer treatment vaccine into the multi-billion dollar global cancer treatment market.

While providing this latest update, it gives me the opportunity to share with you the news that the Company has now commenced its Phase IIb Clinical Trial for **CVac**™ in the United States under the auspices of the US Food and Drug Administration (FDA).

The commencement of this Phase IIb Trial is one of the major milestones in the Company's ongoing development of **CVac**™, which began with our initial human research in 1996. It also represents the culmination of countless hours of hard work and commitment from our world class medical and scientific team.

The Phase IIb Trial commenced in December with the FDA granting ethical approvals for Prima to commence the human clinical trial. Technology transfer of the manufacturing from our Australian base at the Peter Macallum Cancer Centre in Melbourne to the US manufacturer has been completed, as has the design and research of immunological and potency assay for the **CVac**™ product. This is the first time that type of technology has been transferred across countries for human use; a remarkable feat as we undertake our third trial.

The Company has also carried out the requisite Doctor-and-trial nurse investigator meeting and has been in regular communication with the regulators to fine tune various aspects of the trial. These tasks are essential to ensure an efficient environment for a successful trial.

In the short term we will be in a position to commence the crucial task of recruiting patients for the trial. The Phase IIb Trial will being conducted on a 60 patient population across multiple centres in the USA and Australia and is being run out of the world-leading Fred Hutchinson Cancer Centre in Seattle, Stanford University in California and New York Downtown Hospital.

The trial's objective is to further confirm the ability of **CVac**™ to reduce the instance of relapse in ovarian cancer patients, control the metastases of the cancer and increase patients' life expectancy. The results will seek to add to the positive efficacy data from **CVac**™'s previous clinical trials, in this case in a larger patient population.

The Company has plans to conduct a Phase III Clinical Trial for **CVac**™ in Europe later this year. Our aim is to have the Phase IIb and Phase III Trials run concurrently and deliver results from a larger total patient population over a shorter timeframe – with the overall goal being to fast-track regulatory approval for the ultimate commercialisation of **CVac**™.

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Update on other activities

I would also like to take the opportunity to bring you up to date with a number of other developments in what has been a particularly busy and productive period for the Company.

In preparation for our key clinical trials, the Company recently made two pivotal senior management appointments, both of whom will be instrumental in the human clinical trials process. Dr Neil Frazer has joined the Company as our Chief Medical Officer. He is based in the US and has more than 23 years experience in the pharmaceutical industry with expertise in managing the clinical development process of new drug applications. In his role with the Company, Dr Frazer will be responsible for providing the medical expertise for our clinical programs.

We also welcome the appointment of Mr Matthew Lehman as the Company's Chief Operating Officer based in Zurich Switzerland. Matthew will play a pivotal role in the Company's R&D programs and will manage the European clinical trials for **CVac**™. Mr Lehman has been critical in his previous role as the COO of SPRI Clinical Trials where he was involved in over 100 human clinical trials. The Company is delighted to be able to secure two such high calibre executives as we embark on our late stage clinical trials.

The Company has also commenced a research program with the University of New South Wales and the University of Queensland to develop an oral delivery system for a cervical cancer vaccine. This effort will see us expand our scope and focus in the area of cancer treatment. Our success as a business relies on backing superior medical innovation and this is a core value for our development.

Prima is of the view that an oral delivery system for cervical cancer vaccines can be a major breakthrough in drug delivery for cervical cancer treatment by providing a suitable large scale alternative to the current method of vaccine delivery; by injection. The goal of this research program is to develop a cost effective, oral cervical cancer vaccine. We see this as an opportunity to significantly increase the level of cervical cancer utilisation worldwide, and deliver significant benefit in environments such as third world countries.

We look forward to bringing you news of this important research program as it progresses.

On the corporate front, the Company recently completed a highly successful Share Purchase Plan to existing shareholders, which raised $11.25 million. I would like to thank all shareholders who participated in this Offer. This strong level of support from shareholders has provided key funding for the Company which will be used to fund our clinical trials in 2010.

In conclusion, I would like to thank all shareholders for their support. 2009 was a year of unprecedented growth for Prima BioMed, which would not have been possible without the backing of our investors.

Without you we could not provide practical cutting-edge innovation in the fight against cancer. Shareholder support is essential in transforming the promise of science and biotechnology into therapies that have the power to restore health or, in some cases, save the lives of cancer patients. I look forward to your continued support as we embark on our **CVac**™ Phase IIb and Phase III Trials and move closer to providing a commercially available therapy for ovarian cancer patients.

Yours sincerely

Ata Gokyildirim
Chairman,
Prima Biomed Ltd