



ACN 009 237 889

NOTICE OF EXTRAORDINARY GENERAL MEETING

Including Explanatory Notes and Proxy Form

To be held on:

Friday, 30 April 2010

6.00pm (AEST) (registration commencing at 5.45pm)

At:

Sofitel Sydney Wentworth
61-101 Phillip Street
Sydney NSW 2000

This is an important document. It should be read in its entirety. If you are in doubt as to the course you should follow, consult your financial or other professional adviser.

Prima Biomed Limited

ACN 009 237 889

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that the Extraordinary General Meeting of Prima Biomed Limited [ACN 009 237 889] ("the Company") will be held at Sofitel Sydney Wentworth, 61-101 Phillip Street, Sydney NSW 2000 on Friday, 30 April 2010, at 6.00pm (AEST), for the purposes of considering and, if thought fit, passing each of the resolutions referred to in this Notice of Extraordinary General Meeting.

The Explanatory Notes and Proxy Form accompanying this Notice of Extraordinary General Meeting are hereby incorporated in and comprise part of this Notice of Extraordinary General Meeting.

RESOLUTIONS – ORDINARY BUSINESS

To consider, and if thought fit, to pass, with or without amendment, the following **ordinary resolutions**:

Resolution 1: Approval of the prior issue of shares and unlisted options to SpringTree Special Opportunities Fund, LP

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, approval is given for the prior issue of 31,002,766 fully paid ordinary shares in the Company and 7,023,395 unlisted options to acquire fully paid ordinary shares in the Company to SpringTree Special Opportunities Fund, LP in repayment of amounts advanced under the Convertible Loan Agreement between the Company and SpringTree Special Opportunities Fund, LP dated 20 July 2009 on the terms and conditions set out in the Explanatory Notes accompanying this Notice."

Further Information

Further details in respect of Resolution 1 are set out in the Explanatory Notes accompanying this Notice of Extraordinary General Meeting.

Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 1 by:

- (a) SpringTree Special Opportunities Fund, LP; and
- (b) any associate of SpringTree Special Opportunities Fund, LP.

However, the Company need not disregard a vote cast on Resolution 1 if it is cast by:

- (a) a person as proxy for a person who is entitled to vote, if the vote is cast in accordance with the directions on the proxy form; or
- (b) the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction of the proxy form to vote as the proxy decides.

Resolution 2: Approval of the issue of shares and unlisted options to SpringTree Special Opportunities Fund, LP

"That for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the issue of fully paid ordinary shares in the Company and unlisted options to acquire fully paid ordinary shares in the Company to SpringTree Special Opportunities Fund, LP in repayment of amounts advanced under the Convertible Loan Agreement between the Company and SpringTree Special Opportunities Fund, LP dated 20 July 2009 on the terms and conditions set out in the Explanatory Notes accompanying this Notice."

Further Information

Further details in respect of Resolution 2 are set out in the Explanatory Notes accompanying this Notice of Extraordinary General Meeting.

Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 2 by:

- (a) SpringTree Special Opportunities Fund, LP, and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed; and
- (b) any associate of that person.

However, the Company need not disregard a vote cast on Resolution 2 if it is cast by:

- (a) a person as proxy for a person who is entitled to vote, if the vote is cast in accordance with the directions on the proxy form; or
- (b) the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction of the proxy form to vote as the proxy decides.

Resolution 3: Approval of the prior issue of shares to Dr. Zilficor Yassine

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, approval is given for the prior issue of 71,430 fully paid ordinary shares in the Company to Dr. Zilficor Yassine on the terms and conditions set out in the Explanatory Notes accompanying this Notice.”

Further Information

Further details in respect of Resolution 3 are set out in the Explanatory Notes accompanying this Notice of Extraordinary General Meeting.

Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 3 by:

- (a) Dr. Zilficor Yassine; and
- (b) any associate of Dr. Zilficor Yassine.

However, the Company need not disregard a vote cast on Resolution 3 if it is cast by:

- (a) a person as proxy for a person who is entitled to vote, if the vote is cast in accordance with the directions on the proxy form; or
- (b) the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction of the proxy form to vote as the proxy decides.

Resolution 4: Approval of issue of options under the Company's Employee Share Option Plan

“That for the purposes of exception 9(b) of ASX Listing Rule 7.2 and for all other purposes, approval is given for the issue of options to, or for the benefit of, employees of the Company under the Company's Employee Share Option Plan.”

Further Information

Further details in respect of Resolution 4 are set out in the Explanatory Notes accompanying this Notice of Extraordinary General Meeting.

Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 4 by:

- (a) a director of the Company; and
- (b) any associate of that person.

However, the Company need not disregard a vote cast on Resolution 4 if it is cast by:

- (a) a person as proxy for a person who is entitled to vote, if the vote is cast in accordance with the directions on the proxy form; or
- (b) the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction of the proxy form to vote as the proxy decides.

Resolution 5: Approval of the issue of unlisted options to National Security Corporation

“That for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the issue of 500,000 unlisted options to acquire fully paid ordinary shares in the Company to National Security Corporation, a company incorporated in Washington (and/or its nominee) on the terms and conditions set out in the Explanatory Notes accompanying this Notice.

Further Information

Further details in respect of Resolution 5 are set out in the Explanatory Notes accompanying this Notice of Extraordinary General Meeting.

Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 5 by:

- (a) National Security Dealers. a company incorporated in Washington, and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed; and
- (b) any associate of that person.

However, the Company need not disregard a vote cast on Resolution 5 if it is cast by:

- (a) a person as proxy for a person who is entitled to vote, if the vote is cast in accordance with the directions on the proxy form; or
- (b) the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction of the proxy form to vote as the proxy decides.

By the order of the Board



Phillip Hains
Company Secretary

The accompanying Explanatory Notes and Proxy Form including Voting Instructions form part of this Notice of Extraordinary General Meeting.

Prima Biomed Limited

ACN 009 237 889

EXPLANATORY NOTES TO NOTICE OF EXTRAORDINARY GENERAL MEETING

These Explanatory Notes accompany and form part of the Prima Biomed Limited Notice of Extraordinary General Meeting to be held at Sofitel Sydney Wentworth, 61-101 Phillip Street, Sydney NSW 2000 on Friday, 30 April 2010, at 6.00pm (AEST). The Notice of Extraordinary General Meeting should be read together with these Notes.

ORDINARY BUSINESS

Resolution 1: Approval of the prior issue of shares and unlisted options to SpringTree Special Opportunities Fund, LP

1.1 General

As previously announced, on 20 July 2009 the Company secured up to A\$25.5 million in funding via a convertible loan facility ("**Facility**") from New York-based investment fund SpringTree Special Opportunities Fund, LP ("**SpringTree**") to provide funds for the commercialisation of the **CVac™** ovarian cancer vaccine treatment.

The proceeds of the convertible loan facility are being used to help fund the Company's Phase IIb Trial for **CVac™** with the US Food and Drug Administration (FDA), as well as other future trials and approvals.

The material terms of the Facility were set out in the Explanatory Notes accompanying the Company's Notice of Annual General Meeting dated 27 October 2009. At that AGM, shareholders approved for the purposes of ASX Listing Rule 7.4 and for all other purposes, the prior issue of 40,955,125 fully paid ordinary shares in the Company ("**Shares**") and 20,199,025 new unlisted options to acquire fully paid ordinary shares in the Company ("**Options**") to SpringTree.

In accordance with the terms of the Facility, the following funds have been advanced to the Company by SpringTree, and the following Shares and Options issued to SpringTree, since 1 November 2009:

- (a) \$700,000 was advanced by SpringTree to the Company on 12 October 2009 and on 9 November 2009 the Company issued to SpringTree in repayment of that amount 9,421,265 Shares ("**November Shares**") and 1,884,253 Options, exercisable at \$0.2685 on or before 9 November 2014 ("**November Options**");
- (b) \$700,000 was advanced by SpringTree to the Company on 11 November 2009 and on 14 December 2009, the Company issued to SpringTree in repayment of that amount 5,307,051 Shares ("**December Shares**") and 1,884,253 Options, exercisable at \$0.2360 on or before 8 December 2014 ("**December Options**");
- (c) \$700,000 was advanced by SpringTree to the Company on 16 December 2009 and on 12 January 2010, the Company issued to SpringTree in repayment of that amount 5,307,051 Shares ("**January Shares**") and 1,061,411 Options, exercisable at \$0.2271 on or before 12 January 2015 ("**January Options**");
- (d) \$700,000 was advanced by SpringTree to the Company on 15 January 2010 and on 23 February 2010, the Company issued to SpringTree in repayment of that amount 5,591,055 Shares ("**February Shares**") and 1,118,211 Options, exercisable at \$0.2345 on or before 12 February 2015 ("**February Options**"); and
- (e) \$700,000 was advanced by SpringTree to the Company on 15 February 2010 and on 18 March 2010, the Company issued to SpringTree in repayment of that amount 5,376,344 Shares ("**March Shares**") and 1,075,269 Options, exercisable at \$0.2277 on or before 18 March 2015 ("**March Options**").

1.2 ASX Listing Rule 7.4

ASX Listing Rule 7.4 provides that an issue of equity securities without approval of shareholders under ASX Listing Rule 7.1 is treated as having been made with approval for the purposes of ASX Listing Rule 7.1 if:

- (a) the issue of securities did not breach ASX Listing Rule 7.1; and

- (b) holders of ordinary securities subsequently approve the issue.

ASX Listing Rule 7.1 provides that without the approval of shareholders, the Company must not issue or agree to issue more equity securities if such issue, when aggregated with the securities issued by the Company during the previous 12 months, would be an amount that would exceed 15% of the issued shares at the commencement of that 12 month period (subject to certain exceptions that are not relevant to the Company's present circumstances).

If Resolution 1 is approved, the Shares and Options issued by the Company to SpringTree on 9 November 2009, 14 December 2009, 12 January 2010, 23 February 2010 and 18 March 2010 may be treated by the Company as having been made with approval under ASX Listing Rule 7.1 with the effect that the Company's 15% issuing capacity under ASX Listing Rule 7.1 will be refreshed with effect from the date of the Extraordinary General Meeting.

1.3 Technical Information required by ASX Listing Rule 7.5

In compliance with ASX Listing Rule 7.5, the following information is provided:

- (a) ASX Listing Rule 7.5.1: Number of securities to be issued pursuant to Resolution 1
- 31,002,766 Shares and 7,023,395 Options.
- (b) ASX Listing Rule 7.5.2: Issue price of securities
- (i) 9,421,265 Shares (i.e. the November Shares) were issued at \$0.0743 per Share;
 - (ii) 5,307,051 Shares (i.e. the December Shares) were issued at \$0.1319 per Share;
 - (iii) 5,307,051 Shares (i.e. the January Shares) were issued at \$0.1319 per Share;
 - (iv) 5,591,055 Shares (i.e. the February Shares) were issued at \$0.1252 per Share;
 - (v) 5,376,344 Shares (i.e. the March Shares) were issued at \$0.1302 per Share;
 - (vi) 1,884,253 Options (i.e. the November Options) exercisable at \$0.2685 per Option were issued for nil consideration;
 - (vii) 1,884,253 Options (i.e. the December Options) exercisable at \$0.2360 per Option were issued for nil consideration;
 - (viii) 1,061,411 Options (i.e. the January Options) exercisable at \$0.2271 per Option were issued for nil consideration;
 - (ix) 1,118,211 Options (i.e. the February Options) exercisable at \$0.2345 per Option were issued for nil consideration; and
 - (x) 1,075,269 Options (i.e. the March Options) exercisable at \$0.2277 per Option were issued for nil consideration.
- (c) ASX Listing Rule 7.5.3: Terms of securities

The Shares rank equally in all respects with all other Shares on issue in the Company.

The Options have the following terms:

- (i) 1,884,253 Options (i.e. the November Options), exercisable at \$0.2685 per Option on or before 9 November 2014;
- (ii) 1,884,253 Options (i.e. the December Options), exercisable at \$0.2360 per Option on or before 8 December 2014;
- (iii) 1,061,411 Options (i.e. the January Options), exercisable at \$0.2271 per Option on or before 12 January 2015;

- (iv) 1,118,211 Options (i.e. the February Options), exercisable at \$0.2345 per Option on or before 12 February 2015; and
- (v) 1,075,269 Options (i.e. the March Options), exercisable at \$0.2277 per Option on or before 18 March 2015.

Each Option entitles the holder to subscribe for one Share in the Company. The rights of a holder of Options will be changed to the extent necessary to comply with ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation. The holder of an Option cannot participate in new issues without exercising the Option. If there is a bonus issue to the holders of Shares, the number of Shares over which the Option is exercisable may be increased by the number of Shares which the holder of the Option would have received if the Option had been exercised before the record date for the bonus issue.

- (d) ASX Listing Rule 7.5.4: Name of allottee

All Shares and Options were issued to SpringTree Special Opportunities Fund, LP.

- (e) ASX Listing Rule 7.5.5: Intended use of the funds raised

The funds raised from the issue of the Shares (no funds were raised from the issue of the Options) will be used to fund the Company's Phase IIb Trial for **CVac™** with US Food and Drug Administration (FDA), as well as other future trials and approvals.

- (f) ASX Listing Rule 7.5.6: Voting exclusion statement

A voting exclusion statement is included in the Notice accompanying this Explanatory Note.

1.4 Director's Recommendation

The directors of the Company recommend that shareholders approve Resolution 1.

Resolution 2: Approval of shares and unlisted options to SpringTree Special Opportunities Fund, LP

2.1 General

The purpose of Resolution 5 is to seek shareholder approval pursuant to ASX Listing Rule 7.1 for the issue of Shares and Options to SpringTree in repayment to SpringTree of:

- (a) \$700,000 advanced to the Company under the Facility on 18 March 2010 (**March Tranche**); and
- (b) additional tranches of \$700,000 to be advanced to the Company under the Facility on or about 15 April 2010, 15 May 2010 and 15 June 2010 (**Additional Tranches**).

Further detail in relation to the Facility is included in paragraph 1.1 above and in the announcement made by the Company on 20 July 2009.

2.2 ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that without the approval of shareholders, the Company must not issue or agree to issue more equity securities if such issue, when aggregated with the securities issued by the Company during the previous 12 months, would be an amount that would exceed 15% of the issued shares at the commencement of that 12 month period (subject to certain exceptions that are not relevant to the Company's present circumstances).

If Resolution 2 is approved, the Shares and Options to be issued by the Company to SpringTree under the Facility may be treated by the Company as having been made with approval under ASX Listing Rule 7.1.

2.3 Technical Information required by ASX Listing Rule 7.3

In compliance with ASX Listing Rule 7.3, the following information is provided:

- (c) ASX Listing Rule 7.3.1: The formula for calculating the number of securities the entity is to issue pursuant to Resolution 2

The number of Shares to be issued to SpringTree in repayment of the March Tranche and each Additional Tranche (each a **Tranche**) will be calculated using the following formula:

$$N = A / C$$

where

N is the number of Shares to be issued to SpringTree in repayment of the relevant Tranche;

A is the amount of the relevant Tranche;

C is the Conversion Price, being an amount equal to the 90% of the average of the volume weighted average price per Share on any five consecutive business days (chosen by SpringTree) during the period commencing on the date the Tranche being repaid was advanced to the Company and ending on the date immediately prior to the repayment date of such Tranche.

The number of Options to be issued to SpringTree in repayment of each Tranche will be equal to 1/5th of the number of Shares issued in repayment of the relevant Tranche.

- (d) ASX Listing Rule 7.3.2: The date by which securities will be issued

If shareholder approval is obtained, the issue of the Shares and Options to be issued to SpringTree in repayment of each Tranche will occur approximately 28 days after the date the relevant Tranche is advanced under the Facility and within three months of the date of the Extraordinary General Meeting.

- (e) ASX Listing Rule 7.3.3: Issue price of securities

The issue price of the Shares to be issued to SpringTree in repayment of each Tranche will be equal to the Conversion Price (see paragraph 2.3(a) above for further detail). No Shares will be issued unless the Conversion Price is at least 80% of the average market price for Shares calculated over the last 5 days on which sales in the Shares were recorded before the day on which the issue is made.

The Options will be issued for nil consideration.

- (f) ASX Listing Rule 7.3.4: Name of allottee

All Shares and Options will be issued to SpringTree.

- (g) ASX Listing Rule 7.3.5: Terms of securities

The Shares will rank equally in all respects with all other Shares on issue in the Company.

The Options will have the following terms:

- (i) the exercise price of the Options issued in repayment of a relevant Tranche will be 150% of the average of the volume weighted average prices per Share for the 20 business days immediately prior to the date of grant of the Options;
- (ii) the Options issued in repayment of a relevant Tranche will expire 5 years following the date of grant of the Options.

Each Option will entitle the holder to subscribe for one Share in the Company. The rights of a holder of Options will be changed to the extent necessary to comply with ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation. The holder of an Option will not be able to participate in new issues without exercising the Option. If there is a bonus issue to the holders of Shares, the number of Shares over which the Option is exercisable may be increased by the number of Shares which the holder of the Option would have received if the Option had been exercised before the record date for the bonus issue.

- (h) ASX Listing Rule 7.3.6: Intended use of the funds raised

The funds raised from the issue of the Shares (no funds were raised from the issue of the Options) will be used to fund the Company's Phase IIb Trial for **CVac™** with US Food and Drug Administration (FDA), as well as other future trials and approvals.

- (i) ASX Listing Rule 7.3.7: Dates of allotment

If shareholder approval is obtained, the allotment of the Shares and Options to be issued to SpringTree in repayment of each Tranche will occur approximately 28 days after the date the relevant Tranche is advanced under the Facility

- (j) ASX Listing Rule 7.3.8: Voting exclusion statement

A voting exclusion statement is included in the Notice accompanying this Explanatory Note.

2.4 Director's Recommendation

The directors of the Company recommend that shareholders approve Resolution 2.

Resolution 3: Approval of the prior issue of shares to Dr. Zilficor Yassine

3.1 General

The purpose of Resolution 3 is to seek shareholder approval pursuant to ASX Listing Rule 7.4 for the prior issue of 71,430 Shares to Dr. Zilficor Yassine on 3 December 2009 in consideration of medical consultancy services provided to the Company by Dr. Zilficor Yassine to the value of \$10,000.

3.2 ASX Listing Rule 7.4

ASX Listing Rule 7.4 provides that an issue of equity securities without approval of shareholders under ASX Listing Rule 7.1 is treated as having been made with approval for the purposes of ASX Listing Rule 7.1 if:

- (a) the issue of securities did not breach ASX Listing Rule 7.1; and
- (b) holders of ordinary securities subsequently approve the issue.

ASX Listing Rule 7.1 provides that without the approval of shareholders, the Company must not issue or agree to issue more equity securities if such issue, when aggregated with the securities issued by the Company during the previous 12 months, would be an amount that would exceed 15% of the issued shares at the commencement of that 12 month period (subject to certain exceptions that are not relevant to the Company's present circumstances).

If Resolution 3 is approved, the Shares issued by the Company to Zilficor Yassine on 3 December 2009 may be treated by the Company as having been made with approval under ASX Listing Rule 7.1 with the effect that the Company's 15% issuing capacity under ASX Listing Rule 7.1 will be refreshed with effect from the date of the Extraordinary General Meeting

3.3 Technical Information required by ASX Listing Rule 7.5

In compliance with ASX Listing Rule 7.5, the following information is provided:

- (a) ASX Listing Rule 7.5.1: Number of securities to be issued pursuant to Resolution 3

71,430 Shares.

- (b) ASX Listing Rule 7.5.2: Issue price of securities

\$0.14 per Share.

- (c) ASX Listing Rule 7.5.3: Terms of securities

The Shares rank equally in all respects with all other Shares on issue in the Company.

- (d) ASX Listing Rule 7.5.4: Name of allottee

All Shares were issued to Dr. Zilficor Yassine.

- (e) ASX Listing Rule 7.5.5: Intended use of the funds raised

The Shares issued to Dr. Zilficor Yassine were in lieu of consultancy services rendered and no funds were raised from the issue.

- (g) ASX Listing Rule 7.5.6: Voting exclusion statement

A voting exclusion statement is included in the Notice accompanying this Explanatory Note.

3.4 Director's Recommendation

The directors of the Company recommend that shareholders approve Resolution 3.

Resolution 4: Approval of the issues of options under the Employee Share Option Plan

4.1 General

The Company proposes to adopt an Employee Share Option Plan (**ESOP**) pursuant to which the board may make offers of Options to eligible employees and consultants of the Company in order to provide an incentive to deliver growth and value for the benefit of all shareholders.

The Company is seeking shareholder approval under exception 9(b) of ASX Listing Rule 7.2 to issue Options under the ESOP to employees (excluding executive directors) for a period of three years from the date of this EGM.

A copy of the rules of the ESOP is available for inspection by shareholders prior to the day of the EGM during business hours at The CFO Solution, Level 7, 151 Macquarie St, Sydney, NSW, 2000.

4.2 ASX Listing Rule 7.2

Under ASX Listing Rule 7.1, a company is generally restricted, without the approval of shareholders, from issuing or agreeing to issue more equity securities if such issue, when aggregated with the securities issued by that company during the previous 12 months, would be an amount that would exceed 15% of the issued shares at the commencement of that 12 month period. ASX Listing Rule 7.2 provides several exceptions to this restriction, including Exception 9(b), which applies where there is an issue under an employee incentive scheme if, within three years before the date of issue, shareholders approved the issue of securities under the scheme as an exception to ASX Listing Rule 7.1.

The ESOP proposed to be adopted by the Company is an employee incentive scheme for the purposes of exception 9(b) of ASX Listing Rule 7.2.

4.3 Summary of the terms of the ESOP

- (a) Operation

The ESOP will be administered by the board and each year the board will determine:

- (i) the total number of Options to be issued under the ESOP for that year ("**ESOP Options**");
- (ii) executives, senior managers and other employees of the group eligible to receive ESOP Options ("**Eligible Employees**") in that year and their relevant entitlement;
- (i) the offer date of the ESOP Options and the closing date for acceptance; and
- (ii) the conditions of the offer, such as the performance conditions, exercise price, period to price and any other terms the board may determine.

(b) Offer

If an offer of ESOP Options is made under the ESOP that is subject to the satisfaction of performance conditions then the Eligible Employee will only obtain an entitlement to those ESOP Options granted upon satisfaction of the performance conditions on or before the date determined by the board for satisfaction of the conditions.

(c) Suspension

The ESOP will be able to be suspended or the participation of an Eligible Employee in the ESOP suspended at any time by a resolution of the board.

(d) Eligibility

The board will have discretion to determine an Eligible Employee, and factors that the board will take into account when considering an employee include:

- (i) period of employment, including years of service;
- (ii) past contribution made to the Company;
- (iii) likely future contribution to the Company; and
- (iv) any other matters which the board so determines.

(e) Shares

Each ESOP Option will entitle the holder to subscribe for one Share in the Company and will expire not later than five years from (and including) its date of issue. The board will determine the expiry date applicable to each offer of options within this five year limit.

Shares issued as a result of the exercise of ESOP Options will rank equally with the Company's Shares currently on issue.

(f) Exercise Price

The exercise price of each ESOP Option will be lower of the following:

- (i) \$0.10; and
- (ii) the price equal to the volume weighted average price of Shares traded on ASX during the 30 trading days immediately prior to the date of grant of the ESOP Options.

(g) Lapse of ESOP Options

Unless otherwise determined by the board, an ESOP Options will immediately lapse on the first to occur of:

- (i) the last day of the relevant exercise period;
- (ii) if the optionholder resigns or retires, 30 days after the date of cessation of employment (or such longer period as the board determines);
- (iii) if the optionholder is retrenched, or dies, becomes permanently ill or physically or mentally incapacitated, six months after the date of cessation of employment (or such longer period as the board determines);
- (iv) if the optionholder ceases to be employed for any other reason, 60 days after the date of cessation of employment (or such longer period as the board determines); or
- (v) a determination of the board that the optionholder has been dismissed without notice or acted fraudulently, dishonestly or in breach of their obligations to the group, and the ESOP Option is to be forfeited for that reason.

If an option holder ceases to be employed before the satisfaction of any performance condition attaching to an ESOP Option, any entitlement to that ESOP Option will lapse.

(h) Maximum number of ESOP Options

The maximum number of ESOP Options that may be granted under the ESOP will be 15,000,000.

Subject to certain exceptions, the total number of Shares issued as a result of exercise of ESOP Options issued under the ESOP must not exceed 5% of the Company's issued share capital.

(i) Transfer of ESOP Options

ESOP Options will not be able to be transferred other than to the legal personal representative of a deceased option holder.

(j) Change of Control

If a change in control of the Company occurs, the board may consider that performance conditions and other restrictions have been satisfied and facilitate exercise of the ESOP Options.

(k) Reconstruction of capital

In the event of a reconstruction of capital, the ESOP will provide that the number of ESOP Options or the exercise price or exercise period will be reconstructed in a manner determined by the board in a manner not inconsistent with the ASX Listing Rules or any applicable law, including ASIC class orders.

(l) Amendment of ESOP

The board will be able to amend the ESOP rules subject to the requirements of the ASX Listing Rules.

4.4 Number of securities issued under the ESOP since the date of last approval

No securities have been issued under the ESOP since the date of last approval since it will be a newly established ESOP.

4.5 Voting exclusion statement

A voting exclusion statement is included in the Notice accompanying this Explanatory Note.

4.6 Director's Recommendation

The directors of the Company recommend that shareholders approve Resolution 4.

Resolution 5: Approval of the issue of unlisted options to National Security Corporation

5.1 General

The purpose of Resolution 5 is to seek shareholder approval pursuant to ASX Listing Rule 7.1 for the issue of 500,000 Options to National Security Corporation, a company incorporation in Washington (and/or its nominee) in consideration of US corporate advisory consultancy services to be provided to the Company by National Security Corporation, a company incorporated in Washington during the next twelve months to the value of \$38,000.

5.2 ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that without the approval of shareholders, the Company must not issue or agree to issue more equity securities if such issue, when aggregated with the securities issued by the Company during the previous 12 months, would be an amount that would exceed 15% of the issued shares at the commencement of that 12 month period (subject to certain exceptions that are not relevant to the Company's present circumstances).

If Resolution 5 is approved, the Options to be issued by the Company to National Security Corporation, a company incorporated in Washington (and/or its nominee) may be treated by the Company as having been made with approval under ASX Listing Rule 7.1.

5.3 Technical Information required by ASX Listing Rule 7.3

In compliance with ASX Listing Rule 7.3, the following information is provided:

- (a) ASX Listing Rule 7.3.1: Maximum number of securities to be issued pursuant to Resolution 5

500,000 Options.

- (b) ASX Listing Rule 7.3.2: The date by which securities will be issued

If shareholder approval is obtained, the issue of the Options to National Security Dealers, a company incorporated in Washington (and/or its nominee) will occur on a date which is not later than three months after the date of the EGM or such later time as deemed appropriate in an ASX waiver.

- (c) ASX Listing Rule 7.3.3: Issue price of securities

The Options will not be issued for cash consideration, but in lieu of consultancy services to be provided to the Company. The implicit issue price will be \$0.076 per Option.

- (d) ASX Listing Rule 7.3.4: Name of allottee

All Shares will be issued to National Security Corporation, a company incorporated in Washington (and/or its nominee).

- (e) ASX Listing Rule 7.3.5: Terms of securities

The Options will be exercisable at \$0.25 per Option on or before the date occurring five years after their date of issue.

Each Option will entitle the holder to subscribe for one Share in the Company. The rights of the holder of Options will be changed to the extent necessary to comply with ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation. The holder of an Option will not participate in new issues without exercising the Option. If there is a bonus issue to the holders of Shares, the number of Shares over which the Option is exercisable may be increased by the number of Shares which the holder of the Option would have received if the Option had been exercised before the record date for the bonus issue.

- (f) ASX Listing Rule 7.3.6: Intended use of the funds raised

The Options to be issued to National Security Corporation, a company incorporated in Washington (and/or its nominee) will be in lieu of consultancy services to be provided to the Company and no funds will be raised from the issue.

- (g) ASX Listing Rule 7.3.7: Dates of allotment

If shareholder approval is obtained, the allotment of the Options to National Security Dealers, a company incorporated in Washington (and/or its nominee) will occur on a date which is not later than three months after the date of the EGM or such later time as deemed appropriate by an ASX waiver.

- (h) ASX Listing Rule 7.3.8: Voting exclusion statement

A voting exclusion statement is included in the Notice accompanying this Explanatory Note.

5.4 Director's Recommendation

The directors of the Company recommend that shareholders approve Resolution 5.

PROXY FORM – PRIMA BIOMED LIMITED

ACN 009 237 889

☐

I/We _____

of _____

being a member(s) of Prima Biomed Limited

and entitled to _____ shares appoint:

Name of Proxy: _____

Address of Proxy: _____

or in his/her absence, the Chairman of the meeting as my/our proxy to vote on my/our behalf at the Meeting of the Company to be held at Sofitel Sydney Wentworth, 61-101 Phillip Street, Sydney NSW 2000 on Friday, 30 April 2010, at 6.00pm (AEST), and at any adjournment of that meeting.

If two proxies are appointed, complete the following sentence:

This proxy is authorised to exercise votes/ % of my/our total voting rights.

If you do not wish to direct your proxy how to vote, please place a mark in the box above.

By marking this box you acknowledge that the Chairman may exercise your proxy even if he has an interest in the outcome of the resolution and votes cast by him other than as proxy holder will be disregarded because of that interest. If you do not mark this box and you have not directed the Chairman how to vote on the Chairman will not cast your votes on a resolution if he has an interest in the outcome of that resolution and your votes will not be counted in calculating the required majority if a poll is called on the resolution. The Chairman intends voting undirected proxies in favour of the resolutions on which he is permitted to vote.

Proxy Instructions

To instruct your proxy how to vote, insert 'X' in the appropriate column against each resolution set out below. If you do not instruct your proxy how to vote on a resolution, your proxy may vote as he/she thinks fit or abstain from voting.

I/We direct my/our proxy to vote as indicated below:

For Against Abstain

Resolution 1 Approval of the prior issue of shares and unlisted options to SpringTree Special Opportunities Fund, LP

☐	☐	☐
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Resolution 2 Approval of the issue of shares and unlisted options to SpringTree Special Opportunities Fund, LP

☐	☐	☐
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Resolution 3 Approval of the prior issue of shares to Dr. Zilficor Yassine

☐	☐	☐
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Resolution 4 Approval of issue of options under the Company's Employee Share Option Plan

☐	☐	☐
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Resolution 5 Approval of the issue of unlisted options to National Security Corporation

☐	☐	☐
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If a person (Signature): _____ Name (print): _____ Date: ____/____/____ Daytime Contact Number: _____ Email Address: _____	If a company: EXECUTED by: _____ Name of company (print) in accordance with the Corporations Act _____ (Signature) _____ (Signature) Date: ____/____/____
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This proxy and any power of attorney or other authority under which it is signed (or a certified copy) must be lodged at:

- (a) c/- The CFO Solution, PO Box 8694, Armadale VIC 3143; or
- (b) by facsimile on +61 (0) 3 9822 7735, by 6.00pm (AEST) on Wednesday, 28 April 2010, being not less than 48 hours before the time for holding the meeting or adjourned meeting as the case may be.

PROXY AND VOTING INSTRUCTIONS

Proxy Instructions

A member who is entitled to vote at a meeting may appoint:

- (a) one proxy if the member is only entitled to one vote; and
- (b) one or two proxies if the member is entitled to more than one vote.

Where more than one proxy is appointed each proxy may be appointed to represent a specific proportion of the member's voting rights. If the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the votes in which case any fraction of votes will be disregarded.

The proxy form (and the power of attorney or other authority, if any, under which the proxy form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the proxy form (and the power of attorney or other authority) must be lodged at the registered office of the Company or sent by facsimile transmission to the Company's registered office on +61 (0) 3 9822 7735, not less than 48 hours before the time for holding the Meeting, or adjourned meeting as the case may be, at which the individual named in the proxy form proposes to vote.

The proxy form must be signed by the member or his/her attorney duly authorised in writing or, if the member is a corporation, in a manner permitted by the Corporations Act. A proxy given by a foreign corporation must be executed in accordance with the laws of that corporation's place of incorporation.

The proxy may, but need not, be a member of the Company.

A proxy form is attached to this Notice.

Corporate Representatives

Any corporation which is a member of the Company may authorise (by certificate under common seal or other form of execution authorised by the laws of that corporation's place of incorporation, or in any other manner satisfactory to the chairperson of the Meeting) a natural person to act as its representative at any general meeting.

Voting Entitlement

For the purposes of the Corporations Act and Corporations Regulations shareholders entered on the Company's Register of Members as at 5:00 pm on Wednesday, 28 April 2010 (AEST) are entitled to attend and vote at the meeting.

On a poll, members have one vote for every fully paid ordinary share held. Holders of options are not entitled to vote.