



Dear Optionholder,

We refer to our announcement to the Australian Stock Exchange on 13 May 2003 in which Virax Holdings Limited's ("**Virax Holdings**") intention to undertake a non-renounceable rights issue of ordinary shares and options was announced.

In accordance with the Conditions of Issue of your options, the Company is required to advise you of this forthcoming Pro-rata Issue.

Should you wish to participate in the offer you must exercise your options by 5.00 pm (Melbourne time) on 30 May 2003. Failure to do so will mean you are not eligible to participate.

Virax Holdings intends lodge the prospectus for the rights issue with the Australian Securities and Investments Commission ("**ASIC**") on 21 May 2003.

If you are in any doubt as to how to deal with your options, you should consult your stockbroker, solicitor, accountant or other financial adviser.

For your information, a copy of the Prospectus for the offer can be accessed on Virax Holdings Limited's website at <http://www.virax.com.au> after it is lodged with ASIC.

Yours faithfully,

Richard de Lautour

Richard de Lautour
Secretary
Virax Holdings Limited

19 May, 2003