



ASX Announcement (236)

17 October 2006

Clinical Trial Application Lodged with US Food and Drug Administration and Extension of Rights Issue Closing Date

Virax lodges application for HIV/AIDS therapeutic vaccine trial in United States

Today Virax is lodging an Investigational New Drug (IND) application with the US Food and Drug Administration (FDA) to conduct a Phase II clinical trial of its therapeutic HIV/AIDS vaccine, VIR201. The application has been prepared by Virax's scientific team in Melbourne and is one of fewer than ten IND applications to the FDA made by Australian drug discovery companies.

The proposed US trial is in addition to the Phase I/IIa trial of VIR201 planned for the developing world. The application to conduct a trial for the developing world was submitted to the South African Medicines Control Council in September 2006.

VIR201 is based on Virax's proprietary Co-X-Gene™ technology and its development through the proposed clinical trials is the key priority for the Company as it seeks to unlock the value of the technology for shareholders. The Board firmly believes that the Co-X-Gene™ technology is unique and significant, and that this will be further demonstrated by the results from the Phase II VIR201 trial. Confirmation of our present results would be a transforming event for the Company as we would then have entry to an anti-HIV drug market, which at present is some \$8.0 billion and growing at more than 10% p.a., with VIR201 as an adjunct or alternative treatment to anti HIV drugs. The expectation of the Board is that the trial results will add significant value to the Company.

Extension of Rights Issue Closing Date – Friday, 3 November 2006

As shareholders will be aware, the Company is progressing plans to raise funds through private placement in Europe. It is the view of Directors that some resolution of this matter is likely to occur in the near term, and that shareholders should be informed of any material raising prior to the closing of the domestic rights issue.

The Company is extending the closing date for the Rights Issue to 5.00pm Friday, 3 November 2006.

For those who chose to apply for Partly Paid shares, the payment date of the second and final instalment shall be extended and shall now be on or before 19 January 2007.

About Virax

Headquartered in Melbourne, Virax Holdings Limited is a biotechnology company engaged in the development of some of the world's most promising treatments for diseases such as HIV/AIDS, prostate cancer, hepatitis B and other infectious and autoimmune diseases.

Virax's focus is on technology that underpins the development of immune-based therapies (immunotherapy) – therapies that use biological signals to direct the immune system to treat disease.

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