ASX Announcement (354)
8 December 2009

Announcements Officer
Company Announcements Office
ASX Limited
Exchange Centre
Level 6, 20 Bridge Street
SYDNEY NSW 2000

Supplemental Convertible Note Trust Deed
Amendment to Terms of Convertible Notes

On 6 November 2009, Virax Holdings Limited (ASX:VHL) announced that the Convertible Noteholders of the Company had resolved to amend the terms of the Company's Convertible Notes. In accordance with ASX Listing Rule 15.4.2, Virax attaches a copy of the Supplemental Convertible Note Trust Deed dated 3 December 2009 which gives effect to the Noteholders resolution.

Yours sincerely

John Morrison
Virax Holdings Limited
Company Secretary

Dated 31 December 2009

Supplemental convertible note trust deed

Parties

VIRAX HOLDINGS LIMITED
ABN 56 006 569 106

AUSTRALIAN EXECUTOR TRUSTEES LIMITED
ACN 007 869 794

Contact

Michael Wilton
Partner
RACV Tower, 485 Bourke Street, Melbourne VIC 3000

Telephone:	+61 (03) 8686 6548
Email:	michael.wilton@deacons.com.au
Website:	www.deacons.com.au
Our ref:	2639509

CONTENTS

Deed dated

Parties **VIRAX HOLDINGS LIMITED** ABN 56 006 569 106 of Suite 220, 89 High Street, Kew, Victoria, 3101 **(Company)**

AUSTRALIAN EXECUTOR TRUSTEES LIMITED ACN 007 869 794 of Level 22, 207 Kent Street, Sydney, NSW, 2000 **(Trustee)**

Introduction

A. On or about 17 December 2007, the Company and the Trustee entered into a Convertible Note Trust Deed (**Convertible Note Trust Deed**) under which the Trustee agreed to act as trustee for the holders of Convertibles Notes issued by the Company.

B. Clause 43.4 of the Convertible Note Trust Deed provides that a meeting of Noteholders has the power, by ordinary resolution:

(1) to sanction or assent to any amendments to the Convertible Note Trust Deed proposed by the Company; and

(2) to authorise the Trustee to concur in and execute any supplemental deed embodying that amendment.

C. On 6 November 2009, the Company convened a General Meeting of Noteholders on to consider and, if thought fit, pass an ordinary resolution sanctioning amendments to the Convertible Note Trust Deed proposed by the Company and authorising the Trustee to execute a supplemental deed embodying such amendments.

D. The Noteholders passed the resolution proposed by the Company at the General Meeting of Noteholders on 6 November 2009.

E. The parties wish to amend the Convertible Note Trust Deed in accordance with the resolution passed by Noteholders in the manner set out in this supplemental deed (**Supplemental Deed**).

It is agreed

1. Definitions and interpretation

1.1 Terms which are defined in the Convertible Note Trust Deed have the same meaning in this Supplemental Deed unless the context otherwise requires.

1.2 Clauses 1.2 of the Convertible Note Trust Deed applies to this Supplemental Deed as if set out in full in this Supplemental Deed and as if references in that clause to 'this Deed' or 'this document' were to 'this Supplemental Deed'.

2. Amendment of Convertible Note Trust Deed

2.1 With effect as and from 6 November 2009 (**Effective Date**):

(1) Schedule 3 of the Convertible Note Trust Deed is replaced with the Schedule 3 contained in Annexure A;

(2) Annexure Part A and Annexure Part B of the Convertible Note Trust Deed is varied in the manner set out in Annexure B .

3. Variations not to affect accrued rights and obligations

3.1 The amendments to the Convertible Note Trust Deed do not affect the validity or enforceability of the Convertible Note Trust Deed as amended.

3.2 Nothing in this Supplemental Deed:

(1) prejudices or adversely affects any right, power, authority, discretion or remedy arising under the Convertible Note Trust Deed before the Effective Date; or

(2) discharges, releases or otherwise affects any liability or obligation arising under the Convertible Note Trust Deed before the Effective Date.

3.3 Each party is bound by the Convertible Note Trust Deed as amended by this Supplemental Deed.

4. General provisions

4.1 Each party must promptly do all things (including executing and if necessary delivering all documents) necessary or desirable to give full effect to this Supplemental Deed.

4.2 Clauses 17, 18, 44, 45, 46, 47, 48 and 49 of the Convertible Note Trust Deed apply to this Supplemental Deed as if set out in full in this Supplemental Deed and as if references in those clauses to 'this Deed' or 'this document' were to 'this Supplemental Deed'.

Executed as a deed and delivered on the date shown on the first page.

Executed by **Virax Holdings Limited ABN 56 006 569 160** in accordance with section 127 of the *Corporations Act 2001*:	
~~Director/~~company secretary	Director
JOHN MORRISON	MICHAEL HOMPLRIS
~~Name of director/~~company secretary (BLOCK LETTERS)	Name of director (BLOCK LETTERS)
The common seal of **Australian Executor Trustees Limited** ACN 007 869 794 was affixed in accordance with its constitution in the presence of:	
Signature of authorised officer	Signature of authorised officer
JOANNE COCHRANE	Philip John Walter Joseph
Name of authorised officer (BLOCK LETTERS)	Name of authorised officer (BLOCK LETTERS)

Annexure A - Amendments to Schedule of Convertible Note Trust Deed

Schedule 3
Notice of Election to Convert Convertible Notes

To: The Directors
Virax Holdings Limited ABN 56 006 569 106
(Company)

We whose full name(s) and address(es) appear below give notice of election to convert the Convertible Notes specified below:

Insert number of Convertible Notes to be converted into fully paid ordinary shares in the Company	

We request that the Company redeem the Convertible Notes specified above and apply the Principal Money in consideration for the issue to us of the shares to which we are entitled upon conversion of Convertible Notes in accordance with the Trust Deed dated on or about 17 December 2007 and the Supplemental Trust Deed dated on or about 26 November 2009 between the Company and Australian Executor Trustees Limited, incorporating the Conditions of Issue. We agree to accept the shares issued to us subject to the constitution of the Company.

Individual Noteholder(s)

Name
(BLOCK LETTERS)

Address

Usual Signature

Dated____________________ 20__.

Company Noteholder

____________________ ____________________
Signature of director Signature of director/secretary

____________________ ____________________
Name of director (BLOCK LETTERS) Name of director/secretary (BLOCK LETTERS)

Address of company

Dated____________________ 20__.

1. This Notice of Election to Convert Convertible Notes must be lodged at the Company's Convertible Note Registry.
2. In case of joint Noteholders, each Noteholder must sign.
3. Where the Noteholder is an incorporated body the Notice must be signed by its authorised signatories.
4. If this form has been signed by an Attorney and the relevant Power of Attorney has not already been produced to the Company, such Power of Attorney must be forwarded with this form for noting and return.

Annexure B - Amendments to Annexure A of Convertible Note Trust Deed

Annexure Part A
Conditions of Issue of Convertible Notes

1. Definitions and interpretation

1.1 In these conditions:

(1) **ASX** means ASX Limited trading as Australian Securities Exchange;

(2) **Bonus Conversion Period** means, in relation to a Convertible Note, the period 6 November 2009 to 18 December 2009;

Formatted: Font: Bold

Formatted: Font: Not Bold

(3) **Company** means Virax Holdings Limited ABN 56 006 569 106 of Suite 220, 89 High Street, Kew, Victoria, 3010;

(4) **Conversion Date** has the meaning given in clause 6.2;

(5) **Conversion Notice** has the meaning given in clause 6.1;

(6) **Conversion Period** means, in relation to a Convertible Note, the period 1 January 2009 to 31 December 2011 or upon receipt of a redemption notice from the Company.

Deleted: 31 December 2009

(7) **Dividend Period** has the meaning given in clause 6.6;

(8) **Issue Price** means the issue price of a Convertible Note being $0.10 per Convertible Note;

(9) **Record Date** means 31 December 2007;

(10) **Redemption Price** means the redemption price specified in the Summary;

(11) **Share Issue Price** means 5 cents per Share upon conversion;

(12) **Summary means** the Summary in Part B of these Conditions;

Deleted: C

(13) **Trust Deed** means the Convertible Note Trust Deed between the Company and the Trustee dated on or about 17 December 2007;

Deleted: 18

Deleted: and

Deleted: .

Formatted: Font: Bold

Formatted: Bullets and Numbering

(14) **Trustee** means Australian Executor Trustees Limited ACN 007 869 794; and

(15) **VWASP** means Volume Weighted Average Share Price.

Formatted: Font: Bold

1.2 Expressions defined in the Trust Deed have the same meaning when used in these conditions.

1.3 These conditions must be interpreted in the manner specified in the Trust Deed.

2. Terms and conditions of Convertible Notes

2.1 Each Noteholder is bound by:

(1) the Trust Deed; and

(2) these conditions.

3. Applications

Applications for Convertible Notes must be made in accordance with the terms of the Disclosure Document and these Conditions. Applications must be for a minimum amount of Convertible Notes in accordance with Minimum Application requirements in the Summary.

4. Interest and Security

4.1 The Noteholder acknowledges that:

Formatted: Heading 3, No bullets or numbering

(1) the Company will not be required to pay interest on each Convertible Note; and

(2) the Convertible Notes will be unsecured.

5. Redemption Rights

(a) The Company reserves the right at any time upon 30 days written notice to pay to the Noteholder the Redemption Price in respect of each Convertible Note that has not been converted. If an Event of Default occurs, and despite clause 28.1 of the Trust Deed, the Noteholder may demand repayment of the Issue Price. and the Company must pay that amount to the Noteholder within 5 Business Days of receipt of the demand; and

(b) In no other circumstance will the Noteholder have a right to redemption of the Convertible Notes.

Deleted: 31 December 2009

(c) All Convertible Notes on issue after 5.00pm on 31 December 2011 will automatically be redeemed by the Company.

6. Conversion

6.1 A Noteholder may at any time during the Conversion Period give a notice (**Conversion Notice**) to the Company requiring the Company to convert a Convertible Note. A Conversion Notice must be in the form of Schedule 3 of the Trust Deed and must be delivered to the Company together with the Holding Statement comprising or including the Convertible Note to be converted.

6.2 On conversion of a Convertible Note, the Company must issue to the Noteholder the number of Shares calculated in accordance with clause 6.3. The Company must issue the Shares within 10 Business Days of receipt of the Conversion Notice, and the Shares will be treated as issued on the date of conversion of the Convertible Note (**Conversion Date**).

6.3 Subject to these conditions,

(1) where a Noteholder gives a Conversion Notice to the Company during the Bonus Conversion Period:

Formatted: Style3

Formatted: Bullets and Numbering

(a) if the VWASP for the 30 days up to and including the date on which the Conversion Notice is submitted to the Company is equal to or greater than \$0.06, the Company must issue 5 Shares for every 2 Convertible Notes converted; or

Formatted: Indent: Left: 2.5 cm, Tabs: 3.75 cm, List tab

(b) if the VWASP for the 30 days up to and including the date on which the Conversion Notice is submitted to the Company is less than \$0.06, the Company must issue a number of Shares equal to \$0.15 / VWASP, rounded up, per Convertible Note.

Formatted: Heading 4

(2) where a Noteholder gives a Conversion Notice to the Company outside the Bonus Conversion Period, 1 Convertible Note entitles the Noteholder to be issued with 2 Shares for the Share Issue Price.

Formatted: Style3

Formatted: Bullets and Numbering

6.4 The Company must not later than 28 days after the Conversion Date send to the Noteholder of Convertible Notes converted on that date:

(1) an uncertificated holding statement for the Shares issued on conversion of the Convertible Notes; and

(2) a holding statement in respect of any Convertible Notes remaining unconverted held in the Noteholder's name.

The Company may arrange to have sent the holding statements for Shares by prepaid post addressed to the address of the Noteholder appearing in the Register.

6.5 Subject to clause 6.6, Shares allotted upon conversion of Convertible Notes will rank pari passu with all other Shares from and including the Conversion Date.

6.6 The following provisions apply in relation to dividends in respect of each Share issued on conversion of a Convertible Note:

(1) the Share will not rank for the whole or any part of a dividend declared after the Conversion Date which relates to any period ending on or prior to the last to occur of 30 June or 31 December which immediately precedes that Date; and

7. Adjustment of number of Shares issued on conversion

7.1 If the Company offers Shares by way of a pro rata rights issue to its shareholders (whether renounceable or not renounceable), the Share Redemption Price will be adjusted according to the formula:

$$NSIP = OSIP - E\,[P - (S + D)] / N + 1$$

where:

NSIP	=	the new Redemption Price;
OSIP	=	the original Redemption Price;
E	=	the number of Shares into which 1 Convertible Note would be converted assuming the original Redemption Price;
P	=	the average market price for Shares (weighted by reference to volume) during the 5 trading days ending on the day before the ex-rights date for the rights issue;
S	=	the subscription price for a Share under the rights issue;
D	=	the dividend due but not yet paid on the Shares except those to be issued under the pro rata issue; and
N	=	the number of Shares that must be held to receive 1 new Share under the rights issue.

7.2 If between the date of issue and the date of exercise of a Convertible Note, the Company makes 1 or more Bonus Issues of Shares to the Noteholders then upon the exercise of the Convertible Note, the Noteholder is entitled to have issued to it:

(1) the number of Shares to which it is entitled upon such exercise disregarding such Bonus Issue or Issues; and

(2) the number of Shares which would have been issued to it as Bonus Shares if it had been registered as the Noteholder of the number of Shares referred to in clause 7.2(1) on the record date for the Bonus Issue.

7.3 The Bonus Shares so issued to the Noteholder will be paid up by the Company in the same manner as was applied in relation to the Bonus Issue. If a Convertible Note is not exercised, these additional entitlements lapse. Any entitlement to a fraction of a Share remaining following exercise of a Convertible Note will be disregarded.

7.4 In a consolidation of capital the number of Convertible Notes must be consolidated in the same ratio as the ordinary capital and the exercise price must be amended in inverse proportion to that ratio.

7.5 In a subdivision of capital the number of Convertible Notes must be subdivided in the same ratio as the ordinary capital and the exercise price must be amended in inverse proportion to that ratio.

7.6 In a return of capital the number of Convertible Notes must remain the same, and the exercise price of each Convertible Note must be reduced by the same amount as the reduction of the capital backing of each Ordinary Share.

7.7 In a cancellation of capital that is lost or not represented by available assets, the number of Convertible Notes and the exercise price of each Convertible Note must remain unaltered.

7.8 In a pro rata cancellation of capital, the number of Convertible Notes must be reduced in the same ratio as the ordinary capital and the exercise price of each Convertible Note must be amended in the inverse proportion to that ratio.

7.9 In the case of any other form of reduction of capital, the number of Convertible Notes or the exercise price, or both, must be reorganised so that the Noteholder of the Convertible Note will not receive a benefit that holders of Ordinary Shares do not receive. This clause does not prevent a rounding up of the number of Ordinary Shares to be received on exercise if the rounding up is approved at the meeting of the holders of Ordinary Shares which approves the reorganisation.

8. Listing

8.1 The Company in its absolute discretion may apply to have the Convertible Notes listed for quotation on any stock exchange. If the Company is listed on ASX at the time Shares are issued on conversion of Convertible Notes, the Company will apply for official quotation by ASX of the Shares issued within 10 Business Days of the date of issue.

9. Miscellaneous

9.1 If a provision of these conditions or its application to any person or circumstance is or becomes invalid, illegal or unenforceable then the provision must, as far as possible, be interpreted as narrowly as possible to ensure that it is not illegal, invalid or unenforceable. If any provision or part of it cannot be so interpreted, then the provision or its part is taken to be void and severable. The remaining provisions of these conditions are not affected or impaired in any way.

9.2 A modification, alteration, change or variation of a term or condition of these conditions must be in writing and executed by all parties.

9.3 The Company may set off an amount it owes to the Noteholder under a Convertible Note against any payment it must make to the Noteholder.

9.4 The law of Victorian governs these conditions. Each of the Company and the Noteholder submits to the exclusive jurisdiction of the courts of Victoria and of the Commonwealth of Australia and agrees that any lawsuit must be heard in those courts.

Annexure Part B

SUMMARY OF THE OFFER AND CONDITION OF ISSUE

Issue price	$0.10 (10 cents) per Convertible Note
Shareholders pro rata entitlement	One Convertible Note for every four Shares held on the Record Date
Record Date	31 December 2007
Number offered	Up to 27,000,000 Convertible Notes
Amount to be raised	Up to $2,700,000 (before expenses)
Minimum Application	Applications must be for a minimum of 5,000 Convertible Notes at $0.10 each ($500) and a multiple of 1,000 Convertible Notes ($100) thereafter
Interest (coupon)	No interest is payable on Convertible Notes
Noteholder Conversion Rights	Noteholders may convert all or part of their holding of Convertible Notes into fully paid ordinary Shares on the basis of 1 Note for 2 Shares on or at any time between 1 January 2009 and 31 December 2011, (subject to the Bonus Conversion Rights set out below)
Noteholder Bonus Conversion Rights	Noteholders may convert all or part of their holding of Convertible Notes into fully paid ordinary Shares between 6 November 2009 and 18 December 2009 on the basis of: (a) if the VWASP for the 30 days up to and including the date on which a valid Conversion Notice is submitted to the Company in accordance with clause 6.1 is equal to or greater than $0.06, 5 Shares for every 2 Notes converted; or (b) if the VWASP for the 30 days up to and including the date on which a valid Conversion Notice is submitted to the Company in accordance with clause 6.1 is less than $0.06, a number of Shares equal to $0.15 / VWASP, rounded up, per Note.

Deleted: 31 December 2009

Formatted: Space Before: 0 pt

Formatted: Heading 4, Indent: Left: 6.32 cm, Outline numbered + Level: 4 + Numbering Style: a, b, c, ... + Start at: 1 + Alignment: Left + Aligned at: 2.5 cm + Tab after: 3.75 cm + Indent at: 3.75 cm, Tabs: 7.57 cm, Left + Not at 3.75 cm

Formatted: Bullets and Numbering

Company Conversion Rights	The Company has no right to convert or require Noteholders to convert Convertible Notes
Noteholder Redemption Rights	Noteholders may redeem Convertible Notes on the occurrence of an Event of Default but not otherwise.
Company Redemption Rights	The Company may redeem the Convertible Notes at a premium to face value of 40% ($0.14 per Convertible Note) **Redemption Price** on or at any time provided it first gives Noteholders 30 days written notice of intention to do so. During that notice period the Noteholder may convert their holding of Convertible Notes.
Security	Convertible Notes are unsecured
No voting rights	Noteholders have no right to vote at general meetings of Virax
Listing of Convertible Notes	The Company intends to apply to ASX for listing of the Convertible Notes. However, Applicants should not assume that ASX will grant listing

Deleted: 20%

Deleted: $0.12