



ASX Announcement (442)
12 December 2011

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

**VIRAX HOLDINGS LIMITED
CONVERTIBLE NOTES (ASX Code - VHLG)
NOTICE OF NOTEHOLDER GENERAL MEETING**

In accordance with Listing Rule 3.17, please find attached copies of the Notice of Meeting, Proxy Form and Information Memorandum for the Noteholder General Meeting to be held on Friday 30 December 2011 at Quest Beaumont Kew, 7 Studley Park Road, Kew at 2.00 pm which were despatched to Noteholders today.

The above mentioned documents will be made available on Virax's website www.virax.com.au.

Yours sincerely,

John Morrison
Company Secretary



Notice of Meeting of Noteholders

A General Meeting of Noteholders of Virax Holdings Limited (**Company**) will be held

at: **2.00 P.M.**

on: Friday, **30 December 2011**

at: **Quest Beaumont Kew**

7 Studley Park Rd

Kew Vic 3101

(The Quest Beaumont Kew is about 100 metres

west of the Kew Junction– Melways Ref Map 45 B6)

The business of the Meeting will be as follows:

1. Resolution – Amendment to the Conditions of Issue of Convertible Notes

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

*“That, for the purposes of clause 43.4 of the Convertible Note Trust Deed dated 17 December 2007 as amended by the Supplemental Convertible Note Trust Deed date 3 December 2009 between Australian Executor Trustees Limited (**Trustee**) and the Company (**Trust Deed**), the following amendments to the Conditions of Issue of the Convertible Notes set out in the Annexure to the Trust Deed are sanctioned and the Trustee is authorised to concur in and execute a further supplemental deed embodying such amendments:*

- 1 *Extend the date by which the Company is required to pay the Redemption Price from 31 December 2011 to 31 March 2012;*
- 2 *Extend the Conversion Period from 31 December 2011 to 31 March 2012 ;*
- 3 *Make any other changes necessary to give effect to the amendments outlined above.”*

2. Other Business

To deal with any other business that may be brought forward in accordance with the Trust Deed.

Information Memorandum

Information concerning these amendments is included in the Explanatory Memorandum accompanying this Notice of Meeting. The Information Memorandum forms part of this Notice of Meeting and should be read in conjunction with it.

By order of the Board

John Morrison

Company Secretary

Melbourne: 6 December 2011

INFORMATION REGARDING PROXIES AND VOTING

Appointing a proxy

- A Noteholder of the Company entitled to attend and vote at the General Meeting is entitled to appoint a proxy.
- A proxy need not be a Noteholder or Shareholder of the Company. A Noteholder can appoint an individual or body corporate as a proxy. If a body corporate is appointed as a proxy, that body corporate must ensure that it appoints a corporate representative in accordance with Section 250D of the *Corporations Act 2001* (Cth) to exercise its power as proxy at the meeting.
- A Noteholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the Noteholder appoints 2 proxies and the appointment does not specify the proportion or number of the Noteholder's votes each proxy may exercise, then each proxy may exercise one half of the Noteholder's votes (disregarding fractions).
- A proxy form must be signed by the Noteholder or his or her attorney. In the case of companies, which are Noteholders, the proxy form may be signed by 2 directors, or a director and a company secretary, or where the company has a sole director, who is also the sole company secretary, by that director.
- If a Noteholder leaves the proxy form blank as to the person primarily appointed as proxy or marks the box provided on the proxy form or if the person named as proxy fails to attend, the Chairman of the meeting is appointed as proxy. The Chairman intends to vote all undirected proxies in favour of each resolution.
- It is permissible to forward your proxy form by facsimile.
- A proxy appointment form is enclosed with this Notice of Meeting. To be valid, the form appointing the proxy and the power of attorney or other authority (if any) under which it is signed (or a certified copy thereof) must be lodged with the Company, or received by fax, at least 48 hours before the time of the meeting, i.e. by **2.00pm, Wednesday 28 December 2011** at the following address:

Virax Holdings Limited
Suite 220, 89 High Street
Kew Vic 3101
Fax: (03) 9853 5134

Specified Time for Determining Attendance and Voting Entitlements

The Company has determined, that for the purpose of voting at the Noteholder General Meeting, Notes will be taken to be held by those persons who are registered as Noteholders in the Company's Register of Members at 7pm (Melbourne time), 29 December 2011.

Voting on a Show of Hands and Votes Per Note

On a show of hands, each person present as a Noteholder, proxy, attorney or representative has one vote and, where a resolution is to be decided by a poll, each Noteholder is entitled to one vote for each Convertible Note held.

Appointment of a Representative by a Body Corporate Noteholder

A body corporate Noteholder may, in accordance with the *Corporations Act 2001*, appoint an individual as a representative to exercise all or any of the powers the body corporate may exercise at meetings of Noteholders of the Company. The appointment may be for this specific meeting or as a standing appointment. Unless otherwise specified in the appointment, the representative may exercise, on behalf of the body-corporate, all of the powers that the body could exercise at a meeting or in voting on a resolution. A form of appointment may be obtained from the Company's Share Registry or at www.computershare.com



virax

Virax Holdings Limited

ACN 006 569 106

**INFORMATION
MEMORANDUM
Dated 6 December 2011**

CONVERTIBLE NOTEHOLDER GENERAL MEETING

FRIDAY 30 DECEMBER 2011

2.00 pm at

Quest Beaumont Kew, 7 Studley Park Road, Kew, Victoria

PROPOSAL TO AMEND THE CONDITIONS OF ISSUE OF CONVERTIBLE NOTES

IMPORTANT

This document is important and requires your immediate attention. You should read this Information Memorandum carefully in full and consult your stockbroker, solicitor, accountant or other financial adviser if you are in doubt as to how to deal with it.

Any investment in Virax should be considered speculative.

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Letter from the Chairman

Dear Noteholder,

On behalf of the Board, I invite you to a General Meeting of Noteholders of Virax Holdings Limited (**Virax** or the **Company**).

The meeting will be held at 2.00pm on Friday, 30 December 2011 at the Quest Beaumont Kew, 7 Studley Park Road, Kew.

The purpose of the meeting is for Noteholders to consider and vote on a proposal to amend the terms of the Company's Convertible Notes. The principle reason for the proposed amendments is to defer the Company's current 31 December 2011 repayment obligation thereby allowing the Company additional time to undertake a Corporate Transaction and Capital Raising which is critical to the Company's ongoing solvency.

The immediate matter requiring attention is the Redemption Date for the Convertible Notes, being 31 December 2011. Without a change to the Redemption Date of the Convertible Notes the Company will become insolvent.

The Company has been endeavouring to undertake a Corporate Transaction that upon completion would allow the Company to remain solvent and implement its development plans. It is anticipated that any Corporate Transaction aimed at raising capital and introducing a new project to the Company will require the terms and conditions of the Convertible Notes to be amended in addition to the Redemption Date. When a Corporate Transaction is finalised, it is therefore expected that Noteholder and Shareholder approvals will be required to implement that transaction.

At this time developments in respect to a Corporate Transaction are on-going. Once the details of the Corporate Transaction have been finalised they will be announced.


When the Convertible Notes were issued in early 2008 and subsequently amended in November 2009, the Company was anticipating the receipt of sufficient net moneys from the Transgene Co-X-Gene™ sub-licence as a means to enable the Company to redeem the Notes.

To date, the developments by Transgene S.A. of the programs that utilise Co-X-Gene™ and associated partnering arrangements have not eventuated to an extent that would enable the redemption of the Convertible Notes to occur on 31 December 2011.

The timing and amount of any milestone payment to be received from Transgene under the Transgene Co-X-Gene™ sub-licence is uncertain and dependent upon Transgene concluding transactions and receipts in respect of their programs. Whilst it is anticipated that the Company may receive milestone payments under the Transgene Co-X-Gene™ sub-licence of up to \$9 million during the term of the Co-X-Gene sub-licence, the Company does not currently anticipate being able to repay the amount due on the Convertible Notes by 31 December 2011.

The Directors strongly recommend that you carefully read the accompanying Information Memorandum in relation to the proposal.

Yours sincerely



Michael J Humphris
Chairman
Virax Holdings Limited

1. Convertible Note Trust Deed and Meetings of Noteholders

1.1 Trust Deed

The Convertible Notes are governed by a Convertible Note Trust Deed dated 17 December 2007 and the Supplemental Trust Deed of 3 December 2009 between the Company and the Trustee. A copy of the Trust Deed and the Supplemental Trust Deed are available for inspection at the Company's registered office.

1.2 Terms of Issue

The terms of issue of the Convertible Notes are set out in the Annexures to the Trust Deed (as amended by the Supplemental Trust Deed of 3 December 2009). A summary of these terms are set out in Schedule 1 to this Information Memorandum.

1.3 Amendment to Conditions of Issue of Convertible Notes

Clause 43.2 of the Trust Deed provides that the Trustee and the Company may with the approval of an ordinary resolution passed by Noteholders under clause 43.4, by supplemental deed, amend the Trust Deed in such manner and to such extent as the Trustee and the Company agree.

1.4 Meeting of Noteholders

Clause 39.3 of the Trust Deed provides that the Trustee or the Company may at any time convene a meeting of Noteholders. At least 10 Business Days' prior written notice must be given to Noteholders specifying the place, day and hour of the meeting and the general nature of the business to be considered.

1.5 Passing of Noteholders Resolutions

Clause 40.2 of the Trust Deed provides that a resolution is duly passed as an ordinary resolution if it is approved at a meeting of Noteholders by being carried by a simple majority of the votes cast by the Noteholders present in person or by proxy or attorney.

A resolution passed at a meeting of Noteholders duly convened and held is binding on all the Noteholders.

1.6 Trustee

The Trustee is not obliged to consider the merits, or otherwise, of the proposed amendments to the Trust Deed and has not done so. Accordingly, the Trustee makes no recommendation as to whether or not Noteholders should vote on the resolution, or how they should vote.

2. Details of the Proposed Resolution

2.1 Summary of the Proposed Resolution

The substance of the resolution set out in the Notice of General Meeting is to provide approval for the Company and the Trustee, by supplemental deed to the Trust Deed, to amend the Conditions of Issue of the Convertible Notes in the following manner:

- Extend the Conversion Period of the Convertible Notes to 31 March 2012; and
- Extend the Redemption Date to 31 March 2012;

2.2 Advantages of the Proposed Resolution

(1) Extension to Redemption Date

The principle reason for the proposed amendments to the terms of the Company's Convertible Notes is to defer the impending repayment obligation that is currently imposed on the Company.

The proposed extension will provide further time for the Company to develop a Corporate Transaction to enable it to continue trading and remain solvent. It will also provide Noteholders with an opportunity to consider an additional capital raising proposal in conjunction with any Corporate Transaction.

(2) **Solvency**

The Company is unlikely to be able to continue trading solvently without undertaking a Corporate Transaction and accompanying capital raising.

Therefore, without a restructuring of the Convertible Notes along the lines of this proposal (or as amended) and approval by Noteholders in General Meeting, the Company is unlikely to continue trading solvently.

(3) **Redemption Price**

It is proposed that there is no change to the Redemption Price.

(4) **Corporate Transaction**

The Company has been developing a corporate transaction to introduce a new biotechnology program with an associated capital raising that upon completion would permit the Company to continue developing its programs. It is expected that the vendors of the new program and the supporting investors of the accompanying capital raising will impose conditions that will require the Convertible Notes to be restructured.

Accordingly the Company's ability to raise additional capital from new investors is currently precluded by the existence of the Convertible Notes in their current form.

To permit the Company to continue to operate and develop a Corporate Transaction, an amendment to the Convertible Notes is sought. This amendment is a three month extension of the Conversion Period and the Redemption Date.

It is anticipated that during the period to 31 March 2012, a further proposal will be presented to Noteholders for their approval in the context of the Corporate Transaction.

2.3 **Disadvantages of the Proposed Resolution**

(1) **No Redemption on 31 December 2011**

In order that the Company can continue to trade solvently, it is necessary to extend the Redemption Date. This means that the Company will not be redeeming the Notes and making payments to Noteholders on 31 December 2011.

(2) **No change to the Redemption Amount**

The proposed amendments will result in an extension of the Company's obligation to redeem Convertible Notes from 31 December 2011 to 31 March 2012. The Redemption Amount will not change during this period.

(3) **Subsequent Proposal to be considered by Noteholders**

It is anticipated that proceeding with a Corporate Transaction may require the Company to convene a further meeting of Noteholders to consider another proposal to amend the Terms and Conditions of the Notes as part of any Corporate Transaction.

(4) **Solvency**

There is no assurance that the Company will remain solvent for the full three month period to 31 March 2012.

2.4 Other Amendments

No other changes to the Conditions of Issue or the Trust Deed are proposed at this time. The Convertible Notes will continue to be unsecured and the rights of Noteholders as debtors of the Company will remain as is.

3. Working Capital and Going Concern

As is common with most small biotechnology companies engaged in the development of emerging technology, the management of the capital of the Company is focused on maintaining the entity's solvency whilst maintaining optimal returns for shareholders and other stakeholders.

The Company's Annual Report for June 2011 was prepared on a going concern basis, which took into account the Company's assets and liabilities and assumes that future funding will be obtained from:

- a further capital raising in conjunction with a corporate transaction; and
- a restructuring of the company's Convertible Notes and balance sheet.

The Company noted that it could not be certain of the success or of the timing of the intended fund raising activities and any relevant noteholder or shareholder approval that may be sought.

A copy of the Company's Annual Report is available on the Company's website (www.virax.com.au) or by contacting the Company's registered office on (03) 9854 6230.

The Company's recent working capital positions were:

| | Cash Balances | Payable Obligations* |
|-------------------|----------------------|-----------------------------|
| 30 September 2011 | \$687,131 | \$85,546 |
| 31 October 2011 | \$534,412 | \$39,265 |
| 30 November 2011 | \$474,102 | \$154,546 |

* *The payable obligations exclude the Convertible Notes, deferred remuneration of Directors and employee leave entitlements.*

Although Transgene receipts in relation to the Co-X-Gene™ sub-licence are anticipated in the future, the timing of such payments are uncertain as they depend upon transactional receipts and development milestones being achieved by Transgene.

4. Additional Information

4.1 Capital Structure

As at the date of this Information Memorandum, Virax had 220,072,152 Shares and 7,890,227 Convertible Notes on issue. The Company also had 3,491,333 unlisted options on issue to current and former employees.

Full details of the capital structure of the Company is contained in the Company's 2011 Annual Report.

4.2 Market price of Shares and Note Conversion

The lowest and highest market sale prices of Shares on the ASX during the 4 months immediately preceding this Information Memorandum, and the respective dates of those sales, were:

- Highest Price was 2.2 cents on 25 August 2011
- Lowest Price was 1.1 cents on 5 December 2011

The last sale price for Shares on the ASX on 5 December 2011, being the day prior to the date of this Information Memorandum was 1.1 cents.

In these circumstances the likelihood of Noteholders converting their Convertible Notes into ordinary shares in the Company is unlikely between the date of this Information Memorandum and 31 December 2011.

No Convertible Notes have been converted since 1 March 2010.

4.3 **Additional Documentation**

The following documents are available for inspection without charge during normal business hours at the registered office of the Company:

- Trust Deed of 17 December 2007;
- Supplemental Trust Deed of 3 December 2009
- Constitution; and
- any ASX announcement made by Virax from 30 June 2011 up to the date of this Information Memorandum.

Please contact the Company on (03) 9854 6230 to arrange an inspection time.

Signed for and on behalf of the Directors of Virax on 6 December 2011.



Mr Michael J Humphris
Chairman

5. Glossary

| | |
|---------------------------------------|--|
| ASX | ASX Limited trading as Australian Securities Exchange |
| ASX Listing Rules | The official listing rules of ASX |
| Board | means the board of Directors of the Company |
| Business Day | A trading day in accordance with ASX Listing Rules |
| Company or Virax | Virax Holdings Limited ACN 006 569 106 |
| Conditions of Issue | The conditions of issue of the Convertible Notes set out in the Annexures to the Trust Deed |
| Constitution | The constitution of Virax as amended from time to time |
| Conversion Notice | A notice issued by a Noteholder to the Company during the Conversion Period requiring the Company to convert their Notes into Shares |
| Conversion Period | The period during which the Noteholders are entitled to convert their Convertible Notes into Shares, as set out in the Conditions of Issue |
| Convertible Note(s) or Note(s) | A Convertible Note issued pursuant to the terms of the Trust Deed |
| Directors | The directors of the Company |
| Noteholder | A person who holds Convertible Notes |
| Redemption Date | Date on which the Company is obliged to pay to Noteholders the Redemption Price, as set out in the Conditions of Issue and is currently 31 December 2011 |
| Redemption Price | The price at which the Company must redeem the Convertible Notes, as set out in the Conditions of Issue and is currently 14 cents per Note |
| Share | A fully paid ordinary share in the capital of the Company |
| Shareholder | A shareholder in the Company |
| Supplemental Trust Deed | Supplemental Trust Deed dated 3 December 2007 between the Company and the Trustee |
| Transgene | Transgene S.A., a French company listed on the Paris Bourse |
| Trust Deed | Convertible Note Trust Deed dated 17 December 2007 between the Company and the Trustee as amended by the Supplemental Trust Deed |
| Trustee | Australian Executor Trustees Limited ACN 007 869 794 |

6. Corporate Directory

Current Directors of Virax

Mr Michael Humphris – Chairman and Non-executive Director

Mr Ian Pyman – Non-executive Director

Company Secretary

Mr John Morrison

Registered Office

Suite 220,

Kew Junction Tower

89 High Street,

KEW VIC 3101

Telephone: (03) 9854 6230

Facsimile: (03) 9853 5134

www.virax.com.au

Solicitors

Mills Oakley

Level 6

530 Collins Street

MELBOURNE VIC 3000

Telephone: 61 3 9670 9111

Facsimile: 61 3 9605 0933

www.millsoakley.com.au

Share Registry

Computershare Investor Services Pty Limited

GPO Box 52 Melbourne

Victoria 8060 Australia

Telephone:

(within Australia) 1300 132 535

(Outside Australia) 61 3 9415 4093

Trustee

Australian Executor Trustees limited

Level 22

207 Kent Street

Sydney NSW 2000

Telephone (02) 9028 5900

www.aetlimited.com.au

Schedule 1 Summary of the Current Terms of Issue of Convertible Notes

| | |
|---|--|
| Issue price | \$0.10 per Convertible Note |
| Number of Convertible Notes on Issue | 7,890,227 |
| Current Redemption Date | 31 December 2011 |
| Current Redemption Amount | 14 cents per Note |
| Projected Redemption Amount | \$1,104,631.70 |
| Trustee | Australian Executor Trustees Limited ACN 007 869 794 |
| 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 Shares on the basis of 1 Note for 2 Shares on or at any time up to 31 December 2011 or following receipt of a Company Redemption Notice |
| 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 prior to 31 December 2011 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% (14 cents per Convertible Note) on or at any time provided it first gives Noteholders 30 days written notice (Company Redemption Notice) of its intention to do so. Noteholders have the right to convert their Convertible Notes by giving the Company a Conversion Notice during this period of 30 days |
| Security | Convertible Notes are unsecured |
| No voting rights | Noteholders have no right to vote at general meetings of Virax |

Schedule 2 Summary of the Proposed Terms of Issue of Convertible Notes

| | |
|---|--|
| Issue price | \$0.10 per Convertible Note |
| Number of Convertible Notes on Issue | 7,890,227 |
| Proposed Redemption Date | <u>31 March 2012</u> |
| Proposed Redemption Amount | 14 cents per Note |
| Projected Redemption Amount | \$1,104,631.70 |
| Trustee | Australian Executor Trustees Limited ACN 007 869 794 |
| 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 Shares on the basis of 1 Note for 2 Shares on or at any time up to <u>31 March 2012</u> or following receipt of a Company Redemption Notice |
| 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 prior to <u>31 March 2012</u> 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% (14 cents per Convertible Note) on or at any time provided it first gives Noteholders 30 days written notice (Company Redemption Notice) of its intention to do so. Noteholders have the right to convert their Convertible Notes by giving the Company a Conversion Notice during this period of 30 days |
| Security | Convertible Notes are unsecured |
| No voting rights | Noteholders have no right to vote at general meetings of Virax |

Proxy Form



Noteholder General Meeting of Virax Holdings Limited ACN 006 569 106
Registered Office: Suite 220, 89 High Street, Kew, Victoria 3101

Noteholder General Meeting to be held at 2.00 pm on Friday, 30 December 2011 at Quest Belmont Kew, 7 Studley Park Road, Kew Vic 3101

Instructions on how to complete this Proxy Form are contained on the following page

Section A

I/We (Name of Noteholder)

of (Address)

being registered as the holder(s) of Convertible Notes in Virax Holdings Limited hereby appoint:

No. of Notes

the **Chairman of the Meeting (mark box)**

If the Chairperson is your nominated proxy or you have not directed your proxy how to vote, please place a mark in this box. By marking this box, you acknowledge that the Chairperson may exercise your proxy even if he/she has an interest in the outcome of the resolution and votes cast by him/her, other than as proxy holder, will be disregarded because of that interest. If the form of proxy is signed but is blank in all other material aspects, it will be taken to mean that it is in favour of the Chairperson of the Meeting for full voting rights. The Chairperson intends to vote in favour of all resolutions.

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered Noteholder) you are appointing as your proxy

(First proxy)

of

in respect of 100% or % or * of my/our votes or failing him/her the Chairman of the Meeting

% of Notes No. of Notes

And

(Second proxy)

of

in respect of 100% or % or * of my/our votes or failing him/her the Chairman of the Meeting

% of Notes No. of Notes

or failing the person/body corporate named, or if no person/body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following instructions (or if no directions have been given, as the proxy sees fit) at the Noteholder General Meeting of the Company to be held at 2.00pm on Friday, 30 December 2011 at the Quest Belmont Kew and at any adjournment of that Meeting.

Proxies will only be valid and accepted by the Company if they are signed. Please ensure your proxies are received at **least 48 hours** before the Meeting.

Section B Voting Instructions

Should you wish to direct your proxy how to vote, place a mark in the appropriate place below, otherwise your proxy may vote or abstain from voting as he or she thinks fit.

Resolution

For % or No. Against % or No. Abstain*

1. To approve the amendment of the Conditions of Issue of the Convertible Notes set out in the Annexures to the Convertible Note Trust Deed dated 17 December 2007 and the Supplemental Convertible Note Trust Deed date 3 December 2009 between Australian Executor Trustees Limited.

() () () () ()

*If you mark the Abstain box for a particular resolution, you are directing your proxy **not** to vote on your behalf on a show of hands or on a poll.

Section C Signature of Noteholder(s) – This Must Be Completed

Noteholder 1 (Individual)

Joint Noteholder 2 (Individual)

Joint Noteholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete One)

Director

How to complete this Proxy Form

SECTION A

1 Your Name and Address

This is your name and address as it appears on the Company's Note register. If this information is incorrect, please make the correction on the form. Noteholders sponsored by a broker should advise their broker of any changes. Please note: you cannot change ownership of your notes using this form.

2 Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the first box in section A. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please mark the second box in section A and write the name and address of that person. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a Noteholder or shareholder of the Company. A proxy may be an individual or a body corporate.

3 Appointment of a Second Proxy

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, in addition to marking the second box in section A, please mark the third box in Section A and write the name and address of that person.

To appoint a second proxy you must state the percentage of your voting rights or number of Notes applicable to each proxy. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.

SECTION B

4 Votes on Items of Business

You should direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your Notes will be voted in accordance with such a direction unless you indicate otherwise that only a portion of voting rights are to be voted on any item by inserting the percentage or number of Notes you wish to vote in the relevant box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

SECTION C

5 Signing Instructions

You must sign this form as follows in the spaces provided:

- Individual: where the holding is in one name, the holder must sign.
- Joint Holding: where the holding is in more than one name, either Noteholder may sign.
- Power of Attorney: to sign under Power of Attorney, you must have already lodged the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.
- Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place. If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the company's share registry.

LODGEMENT OF PROXY

This Proxy Form (and any Power of Attorney under which it is signed) must be lodged with the Company, or received by fax, at the address given below by **2:00pm (AEDT) on Wednesday, 28 December 2011**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Virax Holdings Limited
Suite 220
89 High Street
Kew Vic 3101
Facsimile: (03) 9853 5134