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ASX ANNOUNCEMENT

Re-organisation of Capital Raising Plans

Select Vaccines Limited ("the Company") announces a re-organisation of its current capital raising plans as follows:

- The one for four non-renounceable rights issue which closed Monday 19 December 2005 has been withdrawn and subscription funds received will be returned.
- The Company has completed a placement to clients of Taylor Collison Limited of 3,750,000 ordinary fully paid shares at \$0.14 per share to raise \$525,000 before costs. This replaces the placement at \$0.16 per share which had been planned.
- The Company is pursuing a new non-renounceable rights issue at \$0.13 per share with a free one for two attaching option to acquire one share at an exercise price of \$0.20 expiring 31 May 2008. The new rights issue will raise up to \$1,407,000 and will be underwritten by Taylor Collison Limited to a limit of \$1,055,000 (ie 75% of the rights issue).

Funds raised through the placement and new non-renounceable rights issue are to be applied to meeting working capital requirements for the ongoing funding of Select's infectious diseases projects and administrative costs.

On 9 December 2005 the Company lodged a supplementary prospectus to clarify a statement made in its Prospectus dated 22 November 2005. This clarification was made in response to an issue raised by ASIC and the prospect that if no clarification was made ASIC may have pursued the issuing of an interim stop order. However, as anticipated, the lodgement of the supplementary prospectus gave rise to the potential triggering of default events under the Company's underwriting arrangements with Taylor Collison Limited.

Following negotiations with Taylor Collison Limited concerning these matters, a decision was taken to withdraw the existing non-renounceable rights issue and proposed placement and accept the new arrangements outlined above. In reaching this decision the Directors took account of the potential uncertainties and costs associated with pursuing enforcement of the existing underwriting arrangements, the fact that at the current share price the original placement was unlikely to be achieved and the need to resolve these matters quickly. This resolution has also ensured sufficient funding for the Company's ongoing operations which may otherwise have been put in doubt.

A prospectus for the new non-renounceable rights issue will be lodged shortly.

On behalf of the Board

Phillip Hains
Company Secretary
20 December 2005.