

Monday 16th March 2009

Dear shareholder,

RE: Rapidly Moving Towards Commercialisation of the Ovarian Cancer Vaccine CVac™

I am pleased to be able to take this opportunity to update you on a number of key recent achievements in Prima BioMed's path to commercialising its headline **CVac™** ovarian cancer treatment product into the multi-billion dollar global cancer treatment market.

Without doubt 2009 represents a year of challenge for companies and industry across all sectors. Notwithstanding the difficult current market conditions Prima BioMed is now extremely well placed to achieve its business objectives and deliver significant value for our shareholders, and the Board believes that the year ahead will also be one of major progress and advancement for the Company.

CVac™ is a vaccine treatment for ovarian cancer that is administered post-surgery and post-chemotherapy to delay relapse and control metastases. Ovarian cancer has an extremely high morbidity rate and there is a huge un-met global medical need for new treatments. There are currently no maintenance-based therapy products commercially available to treat the disease.

The Board and scientific team has been working hard to realise the commercialisation of **CVac™** and the following is an overview of the significant recent milestones achieved as Prima BioMed enters the final stages of the commercialisation process. Special mention goes to the passionate work of team from those including Prof. Ian Frazer, Dr Heidi Gray and Dr Joyce Frey.

\$12m funding secured for the commercialisation of CVac™

Earlier this month the Company secured a \$12 million funding facility to advance **CVac™** towards commercialisation. This substantial level of funding represents a major milestone and provides a high level of certainty for Prima BioMed's business plans for the development of **CVac™** and, given the harsh current investment environment, also delivers a strong message of endorsement from investment markets in the Company's business plans and the **CVac™** product itself.

The funding will be provided by Australian investment bank Fortrend Securities Pty Ltd via an equity draw-down facility, which will allow Prima BioMed to access the funds over the next 3 years.

We are delighted to secure the \$12 million funding at this time, which will enable the commercialisation of our potentially market leading **CVac™** ovarian cancer treatment in line with the global benchmark standards of the US Food and Drug Administration (FDA) and provide a much needed cancer vaccine for ovarian cancer sufferers.

Commencement of CVac™ patient treatment

Earlier this year the Company was delighted to be able to commence the selected treatment of patients with **CVac™** in Australia. The injection of the **CVac™** vaccine represented another important step in the commercialisation process, and patients received the treatment through the assistance of the Australian Government through the Therapeutic Goods Administration's Australian Regulatory Control Mechanism Special Access Scheme.

The Company is excited to be in the position to administer the **CVac™** treatment to patients in need and now looks forward to updating shareholders on the progress of the treatments.

US FDA approvals process for CVac™

The Company continues to make positive progress towards commercialising **CVac™** in line with the world's most rigorous and stringent benchmark standards, provided by the US FDA.

Late last year it completed a successful pre-Investigational New Drug Application (preIND) meeting with the US FDA in Washington, which is a key milestone in the pathway to commercialisation for all new drug applications. Prima BioMed will now seek to commence a Pivotal Trial with the US FDA in the middle of this year, before seeking FDA approval which will ultimately allow the Company to license the product for commercial use on patients and deliver large scale, long term revenue for the Company.

Commercialisation of CVac™ in Australia

Outside of US FDA protocols, Prima BioMed is also working closely with other countries to pursue commercialisation in other jurisdictions, to generate cash flows from CVac™ in an even shorter time frame.

The Company is particularly excited about **CVac™**'s development prospects in Australia and anticipates that, in conjunction with the domestic body responsible for Gynaecological and Oncology medical specialists, the Australian and New Zealand Gynaecological Oncology Group (ANZGOG), commercialisation may occur in Australia at an earlier date than in the United States.

Health care sector performance

PrimaBioMed is also buoyed by the strong performance of the Health sector on the ASX. Companies in the health care and medical sector have been standout performers in recent times and this places the Company in a favourable position to generate returns for our shareholders.

The global market for ovarian cancer treatment products is massive. In 2007, the global market for ovarian cancer therapeutics was valued at US\$2.1 billion and this is expected to rise further, to US\$3.6 billion by 2010, and the value of the wider cancer treatment market is estimated at US\$85 billion in the USA alone.

The Company aims to become an active participant in these markets via its **CVac™** vaccine product.

In concluding I would like to thank you for your support of the Company to date, and to draw your attention to another positive indicator in the development of **CVac™**, in a recent edition of the prestigious international scientific journal 'Nature America, Inc.'. The publication identified CVac™ as one of a shortlist of selected cancer vaccines that are currently in late-stage clinical trials, and the only ovarian cancer vaccine.

We believe that 2009 will be a successful period for PrimaBioMed, as we take **CVac™** towards commercialisation. Your continued and ongoing support will help us achieve the Company's goals and deliver value to all shareholders.

Yours sincerely



Ata Gokyildirim
Chairman,
Prima Biomed Ltd