

Friday 15<sup>th</sup> May 2009

ASX Release Stock Code: PRR

Dear Shareholder

**Share Purchase Plan Offer**

The Board of Directors is delighted with the recent progress and achievements of the Prima Biomed Limited (**Prima**), which has ushered in a most exciting period for our shareholders. The Board is now pleased to offer eligible shareholders the opportunity to subscribe for new shares in Prima through the enclosed Share Purchase Plan (**SPP**).

Prima continues to make rapid progress toward commercialisation of CVac<sup>TM</sup>, highlighted by a number of recent achievements which include

- **\$12m equity funding facility secured in March** which provides a strong level of certainty for Prima's business plans for the development of CVac<sup>TM</sup>
- **The commencement of selected patient CVac<sup>TM</sup> treatment in Australia** through the Therapeutic Goods Administration's Australian Regulatory Control Mechanism Special Access Scheme
- **Continued progress towards commercialising CVac<sup>TM</sup> with US FDA.** Pivotal Trial with US FDA to commence mid-year before seeking FDA approval to license the product for commercial use
- **Pursuing commercialisation in other jurisdictions** to generate cash flows from CVac<sup>TM</sup> in a shorter time frame than US FDA protocols

The Board believes that these achievements see Prima well placed to progress towards commercialisation of CVac<sup>TM</sup> and in turn deliver significant value for all shareholders.

The global market for ovarian cancer treatment products is massive. In 2007 it was valued at US\$2.1 billion and this is expected to rise to US\$3.6 billion by 2010 with the CVac<sup>TM</sup> vaccine product, Prima aims to become an active participant in this market.

With this background, the Board is pleased to provide eligible shareholders the opportunity to subscribe for new shares in Prima through the enclosed SPP.

The principle purpose for the SPP is to raise funds to help fund Prima's upcoming US FDA Pivotal Trials.

Participation in the SPP is optional and is open to eligible shareholders who were holders of ordinary shares in Prima at 7.00pm (AEST) on 14 May 2009 and whose registered address is in Australia or New Zealand. The SPP will open on 22 May 2009 and is expected to close at 5.00pm (AEST) on 24 June 2009.

To participate in the SPP please apply for shares using the SPP Application Form enclosed or by making a BPAY payment using the personalised reference number shown on your Application Form.

**Full details of the SPP are set out in the attached SPP Terms and Conditions.**

It is important to ensure that you read the SPP Terms and Conditions and SPP Application Form carefully. Eligible shareholders should seek independent legal and/or financial advice before applying for shares.

Should you require further assistance, please contact the Shareholder Information Line on (02) 8256 3370.

Yours sincerely



Martin Rogers  
Executive Director

## Terms and Conditions

### 1. Share Purchase Plan

Prima Biomed Limited (**Prima**) is pleased to provide eligible Prima shareholders with the opportunity to participate in the Prima Share Purchase Plan (**SPP**) by subscribing for new ordinary shares in Prima (**Shares**) with a value of up to \$5,000 without incurring brokerage or other transaction costs. Details of this offer and how to participate are set out below.

### 2. Key Dates

The following dates are indicative only. Prima reserves the right to alter the Key Dates at any time in its discretion.

<b>Date</b>	<b>Event</b>	<b>Description</b>
14 May 2009	Record Date	The date used to determine who is an eligible Prima shareholder.
22 May 2009	Opening Date	The date on which the SPP is expected to open.
24 June 2009	Closing Date	The date on which the SPP is expected to close.
29 June 2009	Allotment Date	The date on which the Shares are expected to be allotted.
30 June 2009	Despatch Date	The date on which confirmation advices are expected to be dispatched.
3 July 2009	Trading Date	The date on which the Shares are expected to begin trading on ASX.

### 3. Objective of the SPP

The objective of the SPP is to raise funds:

- to assist Prima meet the costs associated with its Investigation New Drug Application (IND) with US Food and Drug Administration, and assuming no clinical hold is issued, Prima's proposed Phase IIb/III Pivotal clinical trials in the US of its **CVac<sup>TM</sup>** therapy treatment for ovarian cancer; and
- for ongoing working capital in moving towards commercialisation.

### 4. Who is eligible to participate in the SPP?

Subject to the restrictions outlined in paragraph 5, you are eligible to participate in the SPP if you were registered as a holder of ordinary shares in Prima at 7.00pm (AEST) on 14 May 2009 (**Record Date**) with a registered address in Australia or New Zealand.

Prima has determined that it is not practical, and may be unlawful, for holders of ordinary shares in Prima with registered addresses in other jurisdictions to participate in the SPP.

To the extent you hold ordinary shares in Prima on behalf of another person resident outside Australia or New Zealand, it is your responsibility to ensure that by participating in the SPP you comply with all applicable foreign laws.

## 5. How much can you invest?

The amount you may invest under the SPP is limited. You may only apply for a parcel of Shares valued at \$1,000, \$2,000, \$3,000, \$4,000 or \$5,000.

If:

- you receive more than one SPP Application Form; or
- you hold ordinary shares in Prima in more than one capacity (for example, if you are both a sole and joint holder),

the maximum amount you may invest under the SPP in all capacities is \$5,000.

If you were issued shares in Prima under the Prima Share Purchase Plan (**Previous SPP**) announced on 4 December 2008, the maximum amount you may invest under the SPP in all capacities is \$5,000 **less** the aggregate application price of the shares issued to you under the Previous SPP. By way of example, if the aggregate application price of the shares issued to you under the Previous SPP was:

- \$5,000, you will not be able to apply for any Shares under the SPP; or
- \$4,000, the maximum amount you may invest under the SPP in all capacities is \$1,000;
- \$3,000, the maximum amount you may invest under the SPP in all capacities is \$2,000;
- \$2,000, the maximum amount you may invest under the SPP in all capacities is \$3,000.

By submitting the SPP Application Form or making a BPAY payment, you certify that you have not exceeded this \$5,000 limit. Prima reserves the right to reject any application under the SPP to the extent it considers that the application does not comply with these requirements.

## 6. Offer Price

The offer price for each Share to be issued under the SPP is \$0.07. This price is less than the market price of ordinary shares in Prima traded on ASX during a specified period in the 30 days prior to the Record Date. The maximum market price of ordinary shares in Prima traded on ASX during that period was \$0.11.

It is important to note that the market price of ordinary shares in Prima may rise or fall between the date of this offer and the date when the Shares are allotted under the SPP. Therefore, the market price of the Shares you receive on the date they are allotted to you under the SPP may be more or less than the price paid for them.

## 7. How will Prima calculate the number of shares to be issued to you?

The number of Shares to be issued to you will be calculated by dividing the value of Shares that you apply for by the offer price, then rounding down to the nearest whole number of Shares.

For example, if you apply for Shares to the value of \$5,000, you will be allotted 71,428 Shares.

## 8. How do you apply for Shares?

If you would like to participate in the SPP, you may either:

- complete the enclosed SPP Application Form and return it together with your cheque in the required amount to Registries Limited, GPO Box 3993, Sydney, NSW, 2001. Cheques should be made payable to 'Prima Biomed Limited – Share Purchase Plan Account'; or
- make a BPAY payment by using the personalised reference number shown on your Application Form which is required to identify your holding. If you make a payment using BPAY you do not need to return your Application Form. New Zealand holders will not be able to make a payment using BPAY.

All payments and applications must be received by no later than **5.00pm (AEST) on 24 June 2009**. Applications and payments received after that time will not be accepted. Applications and payments may not be withdrawn once received by Prima.

## **9. When will the shares issued under the SPP be allotted?**

It is anticipated that the date of allotment for all Shares issued under the SPP will be 29 June 2009.

Notification of allotment should be sent to shareholders on 30 June 2009. Notification will be in the form of a confirmation advice.

Applications may only be made for parcels of Shares in the amounts designated on the SPP Application Form. Subject to the qualifications on participation for those who were issued Shares under the Previous SPP referred to in paragraph 5 above, if the amount of the cheque tendered with your SPP Application Form or your BPAY payment is:

- less than \$1,000, Prima will not allot any Shares to you and will refund your application money;
- greater than \$5,000, Prima will allot the maximum number of Shares to you and will refund the excess application money; or
- between \$1,000 and \$5,000 and not one of the designated amounts, Prima will allot to you the number of Shares that would have been allotted had you applied for the highest designated amount that is less than the amount of your cheque, and will refund the excess application money.

## **10. Participation**

Participation in the SPP is optional.

## **11. Can I transfer my offer to a third party?**

The offer is non-renounceable. This means that you cannot transfer your right to participate in the SPP to a third party.

## **12. Costs**

No brokerage, commission or other participation costs are payable by you in respect of the acquisition of Shares under the SPP.

## **13. What rights will the shares carry?**

The Shares to be issued under the SPP will be ordinary shares and rank equally with all other ordinary shares on issue in Prima.

## **14. Class order relief**

The offer of Shares under the SPP is made in accordance with ASIC Class Order [02/831]. That Class Order grants relief from the requirement to prepare a disclosure document for this offer.

## **15. Scaleback**

A Scaleback is a reduction in the allotments of Shares (compared to parcels applied for) that Prima will undertake if it receives applications under the SPP for more Shares than it wishes to issue.

If Prima receives applications for more than 42,857,142 Shares, it may in its discretion undertake a Scaleback to the extent and in the manner that it sees fit.

Prima may, in its discretion, undertake a Scaleback to the extent and in the manner it sees fit.

If there is a Scaleback you may receive less than the parcel of Shares for which you have applied.

If a Scaleback produces a fractional number of Shares when applied to your parcel, the number of Shares you will be allocated will be rounded up to the nearest whole number of Shares.

In the event of a Scaleback the excess application money will be refunded to you by direct credit or cheque as soon as practicable, without interest.

## **16. Other relevant matters**

If you apply to participate in the SPP:

- your application, on these terms and conditions, will be irrevocable and unconditional;
- you warrant that you are eligible to participate in the SPP;
- you certify that you have not applied for Shares with an aggregate application price in excess of \$5000 under the SPP or any similar arrangements in the 12 months prior to your application (including the Previous SPP), even if you have received more than one offer from Prima or an offer in more than one capacity under the SPP;
- you acknowledge that Prima has not provided you with investment advice or financial product advice; and
- you acknowledge that you are lawfully permitted to accept the offer to acquire shares under the SPP and participate in the SPP in accordance with the laws applicable in Australia and any other applicable laws in the jurisdiction in which you and/or the beneficial owner of your shares are situated.

This document does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. Distribution of the SPP outside Australia and New Zealand may be restricted by law and persons who come into possession of it should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

Prima may suspend or terminate the SPP at any time up to the date when the Shares are allotted under the SPP. Any such suspension or termination will be binding on all eligible shareholders even when Prima does not notify you of that event.

These terms and conditions are governed by the laws in force in New South Wales, Australia and are to be interpreted in accordance with their spirit, intention and purpose.

## **17. Binding terms**

By accepting the offer to acquire Shares under the SPP, you agree to be bound by these terms and conditions, and by Prima's constitution.

## **18. Do you require further information?**

For further information on the SPP, please contact Prima's share registry:

Registries Limited  
Level 7, 207 Kent Street  
Sydney NSW 2000  
GPO Box 3993  
Sydney NSW 2001  
Telephone: (02) 8256 3370

Record Date: 14 May 2009

Close Date: 24 June 2009

<ADDRESS1>  
<ADDRESS2>  
<ADDRESS3>  
<ADDRESS4>  
<ADDRESS5>  
<ADDRESS6>

## BARCODE

SRN/HIN

### A Offer Choice

Indicate your choice below by marking one box only:

**Offer A**  
A\$1,000.00 worth of Prima  
Shares

**Offer B**  
A\$2,000.00 worth of Prima  
Shares

**Offer C**  
A\$3,000.00 worth of Prima  
Shares

**Offer D**  
A\$4,000.00 worth of Prima  
Shares

**Offer E**  
A\$5,000.00 worth of Prima  
Shares

### B Payment Details

Payment may only be made by BPAY or cheque. Cash will not be accepted via the mail or at the Prima BioMed Limited Share Registry.

Payments cannot be made at any bank.

#### Payment Option 1 - BPAY



**Biller Code: XXXXX**

**Ref: XXXXXXXX**

#### Telephone & Internet Banking - BPAY®

Contact your bank, credit union or building society to make this payment from your cheque or savings account.

More info: [www.bpay.com.au](http://www.bpay.com.au)

© Registered to BPAY Ltd ABN 69 079 137 518

- To pay via BPAY please contact your participating financial institution
- If paying by BPAY you do not need to return the Application Form
- If paying by BPAY the amount of your payment received in the account divided by the issue price will be deemed to be the total number of shares you are applying for. Subject to the qualifications on participation for those who were issued Shares under the Previous SPP referred to in paragraph 5 of the terms and conditions of the Prima Biomed Limited Share Purchase Plan if your BPAY payment is
  - less than \$1,000, Prima will not allot any Shares to you and will refund your application money;
  - greater than \$5,000, Prima will allot the maximum number of Shares to you and will refund the excess application money; or
  - between \$1,000 and \$5,000 and not one of the designated amounts, Prima will allot to you the number of Shares that would have been allotted had you applied for the highest designated amount that is less than the amount of your cheque, and will refund the excess application money.

#### Payment Option 2 - Cheque

Record cheque details below

Drawer	Cheque Number	BSB Number	Account No.	Amount A\$

- Only cheques or bank drafts in Australian dollars and drawn on a bank or financial institution in Australia will be accepted.
- Your cheque or bank draft must be made payable to **Prima BioMed Limited – Share Purchase Plan Account and crossed Not Negotiable.**
- Please ensure that you submit the correct amount. Incorrect payments may result in your application being rejected.

### C Contact Details

Please provide a telephone number and contact name in case we need to contact you regarding your application.

Home telephone number	Work telephone number	Contact name

### D Declarations and Acknowledgments

By lodging this form with your cheque you acknowledge and confirm that you have read, understood and agreed to the terms and conditions of the Prima BioMed Limited Share Purchase Plan (SPP). Prima BioMed Limited may settle in any manner it deems appropriate, any dispute or anomalies which may arise in connection with or by reason of the operation of the SPP, whether generally or in relation to any applicant or application of shares. The decision of Prima BioMed Limited will be conclusive and binding on all persons to whom the determination relates. Prima BioMed Limited reserves the right to waive compliance with any provision of the SPP terms and conditions. The Directors reserve the right to withdraw the offer of shares under the SPP, or reduce the amount of shares that may be subscribed for under the SPP in any manner, at any time prior to allotment. Any excess application moneys will be refunded. No interest will be paid on any refunded application money.

**NO SIGNATURE IS REQUIRED ON THIS FORM**

**THIS OFFER IS NON-RENOUNCEABLE**

Application Forms and payments must be received no later than 5.00 pm (AEST) on 24 June 2009 at:

**MAILING ADDRESS**  
 Registries Limited  
 GPO Box 3993  
 SYDNEY NSW 2001

**DELIVERY ADDRESS**  
 Registries Limited  
 Level 7  
 207 Kent Street  
 SYDNEY NSW 2000

You should allow sufficient time for this to occur. The postal acceptance rule does not apply to the SPP.