

# **Prima Biomed Ltd**

**ACN 009 237 889**

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## **NOTICE OF ADJOURNED EXTRAORDINARY GENERAL MEETING**

including

## **EXPLANATORY STATEMENT**

### **DATE**

Wednesday, 5 August 2009

### **TIME**

11am

### **LOCATION**

The CFO Solution  
Level 7, 151 Macquarie Street  
Sydney NSW 2000

**THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION. IT SHOULD BE READ IN ITS ENTIRETY. IF YOU ARE IN DOUBT ABOUT WHAT TO DO, YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER WITHOUT DELAY.**

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# Section 1 – Time, Date and Place of Meeting and How to Vote

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## 1. Venue

This Adjourned Extraordinary General Meeting of shareholders of Prima Biomed Ltd ACN 009 237 889 (**Company**) will be held at 11am on Wednesday, 5 August 2009 at:

The CFO Solution  
Level 7, 151 Macquarie Street  
Sydney NSW 2000

## 2. How to Vote

You may vote at the Extraordinary General Meeting in person or by proxy.

## 3. Voting in Person

To vote in person, attend the Extraordinary General Meeting on the date and at the time and place set out in paragraph 1 above.

## 4. Voting by Proxy

To vote by proxy, please complete and sign the Proxy Form enclosed with this Notice of Adjourned Extraordinary General Meeting and return it to the Company. A Proxy Form must be lodged:

- (a) by posting it to Prima Biomed Ltd, Suite 1, 1233 High Street, Armadale, VIC, 3143; or
- (b) by faxing it to (03) 9822 7735,

so that it is received not less than 48 hours prior to the commencement of the meeting.

**Proxy Forms returned to the Company in relation to the resolutions for the Extraordinary General Meeting held on Friday, 26 June 2009 will be disregarded by the Company for the purposes of the Adjourned Extraordinary General Meeting. If you wish to vote by proxy, you must complete and sign the Proxy Form enclosed with this Notice of Adjourned Extraordinary General Meeting and return it to the Company.**

# Section 2 – Notice of Extraordinary Meeting

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Notice is given that the Extraordinary General Meeting of shareholders of Prima Biomed Ltd ACN 009 237 889 (**Company**) held on Friday, 26 June 2009, has been adjourned until 11am on Wednesday, 5 August 2009 at The CFO Solution, Level 7, 151 Macquarie Street, Sydney, NSW, 2000.

The Explanatory Statement to this Notice of Adjourned Extraordinary Meeting provides additional information on matters to be considered at the Adjourned Extraordinary General Meeting.

The Extraordinary General Meeting held on Friday, 26 June 2009 was adjourned solely to allow the Company to provide the shareholders with further explanatory information in relation to, and to consider, the following three resolutions:

## 1. Agenda

### **Resolution 1 – Approval of Issue of Options to Ata Gokyildirim**

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

*That, for the purposes of ASX Listing Rule 10.11, section 208 of the Corporations Act and for all other purposes, approval is given for the Company to issue Ata Gokyildirim (and/or his nominee) 13,500,000 options to acquire fully paid ordinary shares in the Company on the terms and conditions set out in the Explanatory Statement accompanying this Notice.*

#### **Further Information**

Further information specifically relevant to Resolution 1 is set out in paragraph 2 of the Explanatory Statement.

#### **Voting Exclusion Statement**

The Company will disregard any votes cast on Resolution 1 by:

- (a) Ata Gokyildirim; and
- (b) any associate of Ata Gokyildirim.

However, the Company need not disregard a vote cast on Resolution 1 if it is cast by:

- (a) a person as proxy for a person who is entitled to vote, if the vote is cast in accordance with the directions on the proxy form; or
- (b) the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction of the proxy form to vote as the proxy decides.

### **Resolution 2 – Approval of Issue of Options to Dr Richard Hammel**

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

*That, for the purposes of ASX Listing Rule 10.11, section 208 of the Corporations Act and for all other purposes, approval is given for the Company to issue Dr Richard Hammel (and/or his nominee) 5,000,000 options to acquire fully paid ordinary shares in the Company on the terms and conditions set out in the Explanatory Statement accompanying this Notice.*

#### **Further Information**

Further information specifically relevant to Resolution 2 is set out in paragraph 3 of the Explanatory Statement.

#### **Voting Exclusion Statement**

The Company will disregard any votes cast on Resolution 2 by:

- (a) Dr Richard Hammel; and
- (b) any associate of Dr Richard Hammel.

However, the Company need not disregard a vote cast on Resolution 2 if it is cast by:

- (a) a person as proxy for a person who is entitled to vote, if the vote is cast in accordance with the directions on the proxy form; or
- (b) the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction of the proxy form to vote as the proxy decides.

#### **Resolution 3 – Approval of Issue of Options to Martin Rogers**

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

*That, for the purposes of ASX Listing Rule 10.11, section 208 of the Corporations Act and for all other purposes, approval is given for the Company to issue Martin Rogers (and/or his nominee) 20,000,000 options to acquire fully paid ordinary shares in the Company on the terms and conditions set out in the Explanatory Statement accompanying this Notice.*

#### **Further Information**

Further information specifically relevant to Resolution 3 is set out in paragraph 4 of the Explanatory Statement.

#### **Voting Exclusion Statement**

The Company will disregard any votes cast on Resolution 3 by:

- (a) Martin Rogers; and
- (b) any associate of Martin Rogers.

However, the Company need not disregard a vote if it is cast by:

- (a) a person falling within (a) or (b) as proxy for a person who is entitled to vote, if the vote is cast in accordance with the directions on the proxy form; or
- (b) the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction of the proxy form to vote as the proxy decides.

## 2. Proxies

Each shareholder of the Company entitled to attend and vote at the Adjourned Extraordinary General Meeting is entitled to appoint a proxy. The proxy need not be a shareholder of the Company.

A shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified, each proxy may exercise half of the shareholder's votes.

A shareholder may specify the way in which a proxy is to vote on the resolution or may allow the proxy to vote at their discretion.

To vote by proxy, complete and sign the Proxy Form enclosed with this Notice and return it to the Company. To be valid, Proxy Forms must be received by the Company not less than 48 hours prior to the commencement of the Adjourned Extraordinary General Meeting. A Proxy Form may be lodged:

- (a) by posting it to Prima Biomed Ltd, Suite 1, 1233 High Street, Armadale, VIC, 3143; or
- (b) by faxing it to (03) 9822 7735.

If the Proxy Form is executed under a Power of Attorney, a certified copy of the Power of Attorney must be lodged with the Proxy Form.

**Proxy Forms returned to the Company in relation to the resolutions for the Extraordinary General Meeting held on Friday, 26 June 2009 will be disregarded by the Company for the purposes of the Adjourned Extraordinary General Meeting. If you wish to vote by proxy, you must complete and sign the Proxy Form enclosed with this Notice of Adjourned Extraordinary General Meeting and return it to the Company.**

## 3. Incorporation of Explanatory Statement

The Explanatory Statement attached to this Notice is incorporated into and forms part of this Notice.

## 4. Voting Entitlements

In accordance with Regulations 7.11.37 and 7.11.38 of the *Corporations Regulations 2001* (Cth), the board has determined that a person's entitlement to vote at the Adjourned Extraordinary General Meeting will be the entitlement of that person set out in the register of shareholders as at 5pm (AEST) on Wednesday, 24 June 2009. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Adjourned Extraordinary General Meeting.

**By order of the Board:**

Robert Kleine  
Company Secretary  
Dated: 3 July 2009

# Section 3 – Explanatory Memorandum

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## 1. Introduction

This Explanatory Statement has been prepared to assist shareholders of the Company to understand the reason and nature of the three proposed resolutions set out in the attached Notice of Adjourned Extraordinary General Meeting.

The resolutions are in substantially the same form as the resolutions included in the Agenda for the Extraordinary General Meeting held on Friday, 26 June 2009. Following feedback received from shareholders, it was agreed that the Company would adjourn that Extraordinary General Meeting before considering the resolutions so that the explanatory information in relation to the resolutions could be enhanced by including an indicative valuation of the options proposed to be issued based on the closing price of the company's shares as at the date of this Notice of Adjourned Extraordinary Meeting. This decision was made having regard to the significant share price appreciation of the Company since the date of the earlier Notice of Extraordinary General Meeting. The Directors recommend that you read this Explanatory Statement and attend the Adjourned Extraordinary General Meeting. If you are unable to attend but wish to vote, complete the Proxy Form enclosed and ensure it reaches the address or facsimile stated in the Notice of Adjourned Extraordinary General Meeting not less than 48 hours prior to the time of the Adjourned Extraordinary General Meeting.

## 2. Resolution 1 – Approval of Issue of Options to Ata Gokyildirim

### 2.1 General

The Company proposes to issue Ata Gokyildirim (and/or his nominee) 13,500,000 options to acquire fully paid ordinary shares in the Company on the terms and conditions set out in paragraph 2.3 below (**Options**). The Options are proposed to be issued to Ata Gokyildirim, a director of the Company, as a key component of his remuneration in order to attract and retain his services and to provide incentive linked to the performance of the Company. Further, the Board considers that the performance of Ata Gokyildirim and the performance and value of the Company are closely related as he has significant responsibility for achieving the Company's objectives. The issue of incentive Options to Ata Gokyildirim has the benefit of conserving cash whilst properly rewarding Ata Gokyildirim for his dedicated services to the Company.

Shareholder approval for the issue of the Options to Ata Gokyildirim is required pursuant to ASX Listing Rule 10.11 and section 208 of the Corporations Act.

### 2.2 ASX Listing Rule 10.11

ASX Listing Rule 10.11 requires a listed company to obtain shareholder approval by ordinary resolution prior to permitting a director or an associate of a director to acquire securities.

If approval is given under ASX Listing Rule 10.11, separate approval is not required under ASX Listing Rule 7.1. Shareholders should therefore note that should the issue of Options to Ata Gokyildirim be approved under ASX Listing Rule 10.11, the issue will not be included in the 15% calculation for the purposes of ASX Listing Rule 7.1.

### **2.3 Technical Information required by ASX Listing Rule 10.13**

For the purposes of ASX Listing Rule 10.13, the following information is provided in relation to Resolution 1:

- (a) ASX Listing Rule 10.13.1: Name of the person  
Ata Gokyildirim and/or his nominee.
- (b) ASX Listing Rule 10.13.2: Maximum number of securities to be issued  
Approval is being sought to issue Ata Gokyildirim and/or his nominee 13,500,000 Options.
- (c) ASX Listing Rule 10.13.3: Date by which the securities are to be issued  
The Options will be issued no later than one month after the date of the Adjourned Extraordinary General Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules).
- (d) ASX Listing Rule 10.13.5: Price for each security and terms of issue  
No monetary consideration will be payable on issue of the Options. The Options will be issued on the terms and conditions set out in Annexure A.
- (e) ASX Listing Rule 10.13.6: Voting exclusion statement  
A voting exclusion statement is included in the Notice accompanying this Explanatory Statement.
- (f) ASX Listing Rule 10.13.7: The intended use of the funds raised  
No monetary consideration will be payable on issue of the Options.

### **2.4 Section 208 of the Corporations Act**

Section 208 of the Corporations Act prohibits a public company giving a financial benefit to a related party unless one of a number of exceptions applies.

A “financial benefit” is defined in the Corporations Act in broad terms and includes a public company issuing securities. A “related party” includes a director of the Company. Accordingly, the proposed issue of options to Ata Gokyildirim and/or his nominee involves the provision of a financial benefit to a related party of the Company.

The directors have formed the view that the exceptions to section 208 of the Corporations Act may not apply in the current circumstances. The directors have therefore resolved to seek shareholder approval for the purposes of section 208 of the Corporations Act for the issue of Options to Ata Gokyildirim and/or his nominee.

## 2.5 Technical Information required by section 217 to 227 of the Corporations Act

In accordance with the requirements of sections 217 and 227 of the Corporations Act, and particularly section 219, the following information is provided to enable shareholders to assess the proposed issue of Options to Ata Gokyildirim and/or his nominee:

- (a) The related party to whom the financial benefit will be given

Ata Gokyildirim and/or his nominee.

- (b) The nature of the financial benefits

13,500,000 Options.

Each Option will entitle the holder to subscribe for one fully paid ordinary share in the Company and will expire on 30 September 2009. The Options will be exercisable for nil consideration and may only be exercised on vesting. Vesting of the Options will occur on 15 September 2009 if the following conditions are satisfied on or before that date:

- (i) Ata Gokyildirim remains a director of the Company during the period commencing on the date the Company issues the option and ending at 5pm (Sydney, NSW time) on 15 September 2009;
- (ii) the Company secures a \$12 million finance facility during the period commencing on 1 January 2009 and ending at 5pm (Sydney, NSW time) on 15 September 2009; and
- (iii) the Company's share price on ASX reaches \$0.062 and stays at or above that amount for a consecutive period of 30 days during the period commencing on 1 January 2009 and ending at 5pm (Sydney, NSW time) on 15 September 2009.

The directors note that the vesting conditions referred to in paragraphs (ii) and (iii) have already been satisfied, and that the term of Ata Gokyildirim's executive employment agreement with the Company expires on 31 March 2011.

No monetary consideration is payable on issue of the Options.

The Options will otherwise be issued on the terms and conditions set out in Annexure A.

- (c) Director's recommendations

The directors of the Company other than Ata Gokyildirim, who abstains from voting due to his material interest in the outcome of Resolution 1, recommend that Shareholders approve Resolution 1. In resolving to recommend Resolution 1, the directors (other than Ata Gokyildirim) considered Ata Gokyildirim's experience, skills and the market value of the Options. The directors of the Company are not aware of any other information that would be reasonably required by shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 1.

(d) Director's interest in resolution

Martin Rogers and Dr Richard Hammel do not have an interest in Resolution 1.

If Resolution 1 is passed, Ata Gokyildirim will receive Options.

(e) All other relevant information

Director's current interest: As at the date of this Notice, Ata Gokyildirim has an interest in 234,000 fully paid ordinary shares in the Company and 18,000,000 options to acquire fully paid ordinary shares in the Company, exercisable at \$0.02 and expiring on 31 December 2011. Ata Gokyildirim is currently paid \$140,000 per annum for his services as a director of the Company.

Dilution Effect: If shareholders approve the issue of the options to Ata Gokyildirim and all of the options are exercised, the effect will be to dilute the shareholding of existing shareholders by approximately 3% based on the number of shares on issue as at the date of this Notice.

Share trading prices in the past 12 months: In the 12 months preceding the date of this Explanatory Statement, the highest, lowest and last trading price of shares on ASX were:

Highest \$0.110

Lowest \$0.005

Last \$0.048

Option trading prices in the past 12 months: The Options proposed to be issued to Ata Gokyildirim are unlisted.

Valuation of Options: ASIC requires explanatory information regarding the value of the Options proposed to be issued to Ata Gokyildirim be included in this Explanatory Statement. The Options proposed to be issued to Ata Gokyildirim (and/or his nominee) are zero exercise price options. Fair values as at the date of this Notice have been determined using the closing price of the Company's shares on ASX on 1 July 2009. The closing price of the Company's shares on ASX has been used instead of a traditional option pricing model because the board expects that each of the vesting conditions will be satisfied.

The valuation is summarised in the table below:

Item	Valuation
Closing share price for 1 July 2009	\$0.048
<b>Number of Options</b>	<b>13,500,000</b>
<b>Valuation per Option</b>	<b>\$0.048</b>
<b>Valuation</b>	<b>\$648,000</b>

**3. Resolution 2 – Approval of Issue of Options to Dr Richard Hammel or nominee**

### **3.1 General**

The Company proposes to issue Dr Richard Hammel (and/or his nominee) 5,000,000 Options on the terms and conditions set out in paragraph 3.3 below. The Options are proposed to be issued to Dr Richard Hammel, a director of the Company, as a key component of his remuneration in order to attract and retain his services and to provide incentive linked to the performance of the Company. Further, the Board considers that the performance of Dr Richard Hammel and the performance and value of the Company are closely related as he has significant responsibility for achieving the Company's objectives. The issue of incentive Options to Dr Richard Hammel has the benefit of conserving cash whilst properly rewarding Dr Richard Hammel for his dedicated services to the Company.

Shareholder approval for the issue of the options to Dr Richard Hammel is required pursuant to ASX Listing Rule 10.11 and section 208 of the Corporations Act.

### **3.2 ASX Listing Rule 10.11**

ASX Listing Rule 10.11 requires a listed company to obtain shareholder approval by ordinary resolution prior to permitting a director or an associate of a director to acquire securities.

If approval is given under ASX Listing Rule 10.11, separate approval is not required under ASX Listing Rule 7.1. Shareholders should therefore note that should the issue of Options to Dr Richard Hammel be approved under ASX Listing Rule 10.11, the issue will not be included in the 15% calculation for the purposes of ASX Listing Rule 7.1.

### **3.3 Technical Information required by ASX Listing Rule 10.13**

For the purposes of ASX Listing Rule 10.13, the following information is provided in relation to Resolution 2:

- (a) ASX Listing Rule 10.13.1: Name of the person  
Dr Richard Hammel and/or his nominee.
- (b) ASX Listing Rule 10.13.2: Maximum number of securities to be issued  
Approval is being sought to issue Dr Richard Hammel and/or his nominee 5,000,000 Options.
- (c) ASX Listing Rule 10.13.3: Date by which the securities are to be issued  
The Options will be issued no later than one month after the date of the Adjourned Extraordinary General Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules).
- (d) ASX Listing Rule 10.13.5: Price for each security and terms of issue  
No monetary consideration will be payable on issue of the Options. The Options will be issued on the terms and conditions set out in Annexure A.
- (e) ASX Listing Rule 10.13.6: Voting exclusion statement  
A voting exclusion statement is included in the Notice accompanying this Explanatory Statement.

- (f) ASX Listing Rule 10.13.7: The intended use of the funds raised
- No monetary consideration will be payable on issue of the Options.

### **3.4 Section 208 of the Corporations Act**

Section 208 of the Corporations Act prohibits a public company giving a financial benefit to a related party unless one of a number of exceptions applies.

A “financial benefit” is defined in the Corporations Act in broad terms and includes a public company issuing securities. A “related party” includes a director of the Company. Accordingly, the proposed issue of options to Dr Richard Hammel and/or his nominee involves the provision of a financial benefit to a related party of the Company.

The directors have formed that view that the exceptions which are available to section 208 of the Corporations Act may not apply in the current circumstances. The directors have therefore resolved to seek shareholder approval for the purposes of section 208 of the Corporations Act for the issue of options to Dr Richard Hammel and/or his nominee.

### **3.5 Technical Information required by section 217 to 227 of the Corporations Act**

In accordance with the requirements of sections 217 and 227 of the Corporations Act, and particularly section 219, the following information is provided to enable shareholders to assess the proposed issue of options to Dr Richard Hammel and/or his nominee:

- (a) The related party to whom the financial benefit will be given
- Dr Richard Hammel and/or his nominee.
- (b) The nature of the financial benefits
- 5,000,000 Options.

Each Option will entitle the holder to subscribe for one fully paid ordinary share in the Company and will expire on 30 September 2009. The Options will be exercisable for nil consideration and may only be exercised on vesting. Vesting of the Options will occur on 15 September 2009 if the following conditions are satisfied on or before that date:

- (i) Dr Richard Hammel remains a director of the Company during the period commencing on the date the Company issues the option and ending at 5pm (Sydney, NSW time) on 15 September 2009;
- (ii) the Company secures a \$12 million finance facility during the period commencing on 1 January 2009 and ending at 5pm (Sydney, NSW time) on 15 September 2009; and
- (iii) the Company’s share price on ASX reaches \$0.062 and stays at or above that amount for a consecutive period of 30 days during the period commencing on 1 January 2009 and ending at 5pm (Sydney, NSW time) on 15 September 2009.

The directors note that the vesting conditions referred to in paragraphs (ii) and (iii) have already been satisfied.

No monetary consideration is payable on issue of the Options.

The Options will otherwise be issued on the terms and conditions set out in Annexure A.

(c) Director's recommendations

The directors of the Company other than Dr Richard Hammel, who abstains from voting due to his material interest in the outcome of Resolution 2, recommend that Shareholders approve Resolution 2. In resolving to recommend Resolution 2, the directors (other than Dr Richard Hammel) considered Dr Richard Hammel's experience and skills, the market value of the Options. The directors of the Company are not aware of any other information that would be reasonably required by shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 2.

(d) Director's interest in resolution

Martin Rogers and Ata Gokyildirim do not have an interest in Resolution 2.

If Resolution 2 is passed, Dr Richard Hammel will receive Options.

(e) All other relevant information

Director's current interest: As at the date of this Notice, Dr Richard Hammel has an interest in 10,000,000 options to acquire fully paid ordinary shares in the Company, exercisable at \$0.02 and expiring on 31 December 2011. Dr Richard Hammel is currently paid directors' fees of US\$3,333 per month. For any additional consulting services that Dr Richard Hammel provides to the Company, entities associated with Dr Richard Hammel are entitled to be paid US\$3,000 per day.

Dilution Effect: If shareholders approve the issue of the options to Dr Richard Hammel and all of the options are exercised, the effect will be to dilute the shareholders of existing shareholders by approximately 1% based on the number of shares on issue as at the date of this Notice.

Share trading prices in the past 12 months: In the 12 months preceding the date of this Explanatory Statement, the highest, lowest and last trading price of shares on ASX were:

Highest \$0.110

Lowest \$0.005

Last \$0.048

Option trading prices in the past 12 months: The Options proposed to be issued to Dr Richard Hammel are unlisted.

Valuation of Options: ASIC requires explanatory information regarding the value of the Options proposed to be issued to Dr Richard Hammel be included in this Explanatory Statement. The Options proposed to be issued to Dr Richard Hammel (and/or his nominee) are zero exercise price options. Fair values as the date of this Notice have been determined using the closing price of the Company's shares on ASX on 1 July 2009. The closing price of the Company's shares on ASX has been used instead of a traditional option

pricing model because the board expects that each of the vesting conditions will be satisfied. The valuation is summarised in the table below:

<b>Item</b>	<b>Valuation</b>
Closing share price for 1 July 2009	\$0.048
<b>Number of Options</b>	<b>5,000,000</b>
<b>Valuation per Option</b>	<b>\$0.048</b>
<b>Valuation</b>	<b>\$240,000</b>

#### **4. Resolution 3 – Approval of Issue of Options to Martin Rogers or nominee**

##### **4.1 General**

The Company proposes to issue Martin Rogers (and/or his nominee) 20,000,000 Options on the terms and conditions set out in paragraph 4.3 below. The Options are proposed to be issued to Martin Rogers, a director of the Company, as a key component of his remuneration in order to attract and retain his services and to provide incentive linked to the performance of the Company. Further, the Board considers that the performance of Martin Rogers and the performance and value of the Company are closely related as he has significant responsibility for achieving the Company's objectives. The issue of incentive Options to Martin Rogers has the benefit of conserving cash whilst properly rewarding Martin Rogers for his dedicated services to the Company.

Shareholder approval for the issue of the options to Martin Rogers is required pursuant to ASX Listing Rule 10.11 and section 208 of the Corporations Act.

##### **4.2 ASX Listing Rule 10.11**

ASX Listing Rule 10.11 requires a listed company to obtain shareholder approval by ordinary resolution prior to permitting a director or an associate of a director to acquire securities.

If approval is given under ASX Listing Rule 10.11, separate approval is not required under ASX Listing Rule 7.1. Shareholders should therefore note that should the issue of options to Martin Rogers be approved under ASX Listing Rule 10.11, the issue will not be included in the 15% calculation for the purposes of ASX Listing Rule 7.1.

##### **4.3 Technical Information required by ASX Listing Rule 10.13**

For the purposes of ASX Listing Rule 10.13, the following information is provided in relation to Resolution 3:

- (a) ASX Listing Rule 10.13.1: Name of the person

Martin Rogers and/or his nominee.

- (b) ASX Listing Rule 10.13.2: Maximum number of securities to be issued

Approval is being sought to issue Martin Rogers and/or his nominee 20,000,000 Options.

- (c) ASX Listing Rule 10.13.3: Date by which the securities are to be issued

The Options will be issued no later than one month after the date of the Adjourned Extraordinary General Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules).

- (d) ASX Listing Rule 10.13.5: Price for each security and terms of issue

No monetary consideration will be payable on the issue of the Options. The Options will be issued on the terms and conditions set out in Annexure A.

- (e) ASX Listing Rule 10.13.6: Voting exclusion statement

A voting exclusion statement is included in the Notice accompanying this Explanatory Statement.

- (f) ASX Listing Rule 10.13.7: The intended use of the funds raised

No monetary consideration will be payable on issue of the Options..

#### **4.4 Section 208 of the Corporations Act**

Section 208 of the Corporations Act prohibits a public company giving a financial benefit to a related party unless one of a number of exceptions applies.

A “financial benefit” is defined in the Corporations Act in broad terms and includes a public company issuing securities. A “related party” includes a director of the Company. Accordingly, the proposed issue of options to Martin Rogers and/or his nominee involves the provision of a financial benefit to a related party of the Company.

The directors have formed the view that the exceptions to section 208 of the Corporations Act may not apply in the current circumstances. The directors have therefore resolved to seek shareholder approval for the purposes of section 208 of the Corporations Act for the issue of options to Martin Rogers and/or his nominee.

#### **4.5 Technical Information required by section 217 to 227 of the Corporations Act**

In accordance with the requirements of sections 217 and 227 of the Corporations Act, and particularly section 219, the following information is provided to enable shareholders to assess the proposed issue of options to Martin Rogers and/or his nominee:

- (a) The related party to whom the financial benefit will be given

Martin Rogers and/or his nominee.

- (b) The nature of the financial benefits

20,000,000 Options.

Each Option will entitle the holder to subscribe for one fully paid ordinary share in the Company and will expire on 30 September 2009. The Options will be exercisable for nil consideration and may only be exercised on vesting. Vesting of the Options will occur on 15 September 2009 if the following conditions are satisfied on or before that date:

- (i) Martin Rogers remains a director of the Company during the period commencing on the date the Company issues the option and ending at 5pm (Sydney, NSW time) on 15 September 2009;
- (ii) the Company secures a \$12 million finance facility during the period commencing on 1 January 2009 and ending at 5pm (Sydney, NSW time) on 15 September 2009; and
- (iii) the Company's share price on ASX reaches \$0.062 and stays at or above that amount for a consecutive period of 30 days during the period commencing on 1 January 2009 and ending at 5pm (Sydney, NSW time) on 15 September 2009.

The directors note that the vesting conditions referred to in paragraphs (ii) and (iii) have already been satisfied, and that the term of Martin Roger's executive employment agreement with the Company expires on 31 March 2011.

No monetary consideration is payable on issue of the Options.

The Options will otherwise be issued on the terms and conditions set out in Annexure A.

(c) Director's recommendations

The directors of the Company other than Martin Rogers, who abstains from voting due to his material interest in the outcome of Resolution 3, recommend that Shareholders approve the Resolution 3. In resolving to recommend Resolution 3, the directors (other than Martin Rogers) considered Martin Roger's experience and skills, the market value of the Options. The directors of the Company are not aware of any other information that would be reasonably required by shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 3.

(d) Director's interest in resolution

Dr Richard Hammel and Ata Gokyildirim do not have an interest in Resolution 3.

If Resolution 3 is passed, Martin Rogers will receive Options.

(e) All other relevant information

Director's current interest: As at the date of this Notice, Martin Rogers has an interest in 497,500 fully paid ordinary shares in the Company and 18,000,000 options to acquire fully paid ordinary shares in the Company, exercisable at \$0.02 and expiring on 31 December 2011. Martin Rogers is currently paid \$140,000 per annum for his services as an executive director of the Company.

Dilution Effect: If shareholders approve the issue of the options to Martin Rogers and all of the options are exercised, the effect will be to dilute the shareholders of existing shareholders by approximately 5% based on the number of shares on issue as at the date of this Notice.

Share trading prices in the past 12 months: In the 12 months preceding the date of this Explanatory Statement, the highest, lowest and last trading price of shares on ASX were:

Highest \$0.110

Lowest \$0.005

Last \$0.048

Option trading prices in the past 12 months: The Options proposed to be issued to Martin Rogers are unlisted.

Valuation of Options: ASIC requires explanatory information regarding the value of the Options proposed to be issued to Martin Rogers be included in this Explanatory Statement. The Options proposed to be issued to Martin Rogers (and/or his nominee) are zero exercise price options. Fair values as at the date of this Notice have been determined using the closing price of the Company's shares on ASX on July 2009. The closing price of the Company's shares on ASX has been used instead of a traditional option pricing model because the board expects that each of the vesting conditions will be satisfied. The valuation is summarised in the table below:

<b>Item</b>	<b>Valuation</b>
Closing share price for 23 June 2009	\$0.048
<b>Number of Options</b>	<b>20,000,000</b>
<b>Valuation per Option</b>	<b>\$0.048</b>
<b>Valuation</b>	<b>\$960,000</b>

# Annexure A – Terms and Conditions of Options

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1. Each option entitles the holder to subscribe for 1 fully paid ordinary share in the Company.
2. Vesting of the options is subject to the following conditions being met:
  - (a) the holder remains a director of the Company during the period commencing on the date the Company issues the option and ending at 5pm (Sydney, NSW time) on 15 September 2009;
  - (b) the Company secures a \$12 million finance facility during the period commencing on 1 January 2009 and ending at 5pm (Sydney, NSW time) on 15 September 2009; and
  - (c) the Company's share price on ASX reaches \$0.062 and stays at or above that amount for a consecutive period of 30 days during the period commencing on 1 January 2009 and ending at 5pm (Sydney, NSW time) on 15 September 2009.
3. Despite any other paragraph of these terms, all options will immediately vest in the holder on the occurrence of either of the following events:
  - (a) the offer under a takeover bid or announcement acquires (unconditionally) in excess of 50% of the issued voting shares of the Company; or
  - (b) as a result of the approval of one or more schemes of arrangement any person who is not at the date of issue of the options in control of the Company acquires in excess of 50% of the issued voting shares of the Company.
4. Each option may be exercised for nil consideration at any time during the period commencing on the date the options vest pursuant to paragraph 2 or 3 of these terms and ending at 5:00 pm (Sydney, NSW time) on 30 September 2009 (**Expiry Date**) by completing the option exercise form and delivering it to the registered office of the Company. Any option that has not been exercised prior to the Expiry Date automatically lapses.
5. An exercise of only some options will not affect the rights of the holder under the balance of the options held by him or her as appropriate
6. The Company will not apply for official quotation on ASX of the options.
7. The options are non-transferable other than to a trustee of a superannuation fund or other entity controlled by the holder and may not be sold, assigned, transferred or otherwise dealt with in any way.
8. The Company will not be bound to recognise any transfer of options pursuant to paragraph 7 until a copy of the duly executed instrument of transfer is lodged with the Company. The instrument of transfer must be duly stamped and lodged at the registered office of the Company, together any other information as the Company may reasonably require with respect to the transfer.

9. Shares issued upon the exercise of options will rank pari passu with the Company's fully paid ordinary shares and will have the same voting and other rights as the existing shares of the Company, which are set out in the Company's Constitution, ASX Listing Rules and the Corporations Act.
10. The Company will apply for official quotation by ASX of all shares issued upon exercise of options, subject to any restriction obligations imposed by ASX.
11. The options will not give any right to participate in dividends until shares are issued pursuant to the exercise of the relevant options.
12. There are no participation rights or entitlements inherent in the options and holders will not be entitled to participate in new issues of capital offered to shareholders during the currency of the options. The Company will ensure that holders will be allowed at least seven business days notice to allow for the conversion of options prior to the record date in relation to any offers of securities made to shareholders.
13. In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company prior to the Expiry Date, the number of options or the rights attaching to the options or both shall be reconstructed in accordance with the ASX Listing Rules applying to a reorganisation of capital at the time of the reconstruction.

# Proxy Form - Prima Biomed Ltd ACN 009 237 889

The Company Secretary  
 Prima Biomed Ltd  
 c/- The CFO Solution  
 Suite 1, 1233 High Street  
 ARMADALE VIC 314

I/We

of

being a member/(s) of Prima Biomed Ltd (**Company**) holding \_\_\_\_\_ ordinary shares appoint

Name of Proxy

Address of Proxy

or failing the person named, or if no person is named, the Chairman, as proxy to vote on my/our behalf at the Adjourned Extraordinary General Meeting of the Company to be held at The CFO Solution, Level 7, 151 Macquarie Street, Sydney, NSW, 2000 on Wednesday, 5 August 2009 at 11am, and at any adjourned meeting.

### Proxy Instructions

If you wish to direct your proxy how to vote with respect to the proposed resolution, please indicate the manner in which your proxy is to vote by placing an "X" in the appropriate box below, otherwise your proxy may vote as they think fit.

Resolution	For	Against	Abstain
Resolution 1 - Approval of issue of options to Ata Gokyildirim	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 - Approval of issue of options to Dr Richard Hammel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 - Approval of issue of options to Martin Rogers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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 and your votes will not be counted in computing the required majority on a poll.

If you have not named a person to act as your proxy, the Chairman will be appointed as your proxy, and will vote all undirected proxies in favour of all the Resolutions. If the Chairman of the meeting is appointed as your proxy, or may be appointed by default and you do not wish to direct your proxy how to vote as your proxy in respect of a resolution, please place a mark in this box.  By marking the box, you acknowledge that the Chairman may exercise your proxy even if that person has an interest in the outcome of the resolution and votes cast other than as proxy holder will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chairman will not cast your votes on the resolution and your votes will not be counted in calculating the required majority if a poll is called on the resolution.

If two proxies are being appointed, the proportion of voting rights this proxy represents is \_\_\_\_\_ %

### Signing Instructions

You must sign this form as follows in the space provided below:  
 Individuals and joint holders: where the holding is in one name, the holder must sign. Where the holding is in more than one name, all of the shareholders should sign.  
 Power of Attorney: to sign under Power of Attorney, you must attach a certified photocopy of the Power of Attorney to this form when you return it.  
 Companies: where the company has a sole director or a sole director and secretary, this form must be signed by that person. Otherwise, this form must be signed by two directors or a director and a secretary.

#### Individuals and joint holders

Signature

Signature

Date \_\_\_\_\_

#### Companies

Director

Director / Secretary

Daytime Contact Number \_\_\_\_\_

This proxy and any power of attorney or other authority under which it is signed (or a certified copy) must be lodged:

- (a) by posting it to c/- Prima Biomed Ltd, Suite 1, 1233 High St, Armadale, VIC, 3143
- (b) by faxing it to (03) 9822 7735,

by 11.00am (Melbourne, Victoria time), Monday, 3 August 2009, being not less than 48 hours before the time for holding the meeting or adjourned meeting as the case may be.