

ASX/Media Release
27th January 2010

QUARTERLY ACTIVITY REPORT For Quarter ending 31 December 2009

Australian health care company Prima BioMed (Prima) (ASX: PRR) is pleased to provide the following Quarterly Report on its activities for the three months period ending 31 December 2009.

Highlights

- **US FDA Phase IIb Clinical Trial for CVac™ ovarian cancer therapy vaccine commenced – ethics approval granted for CVac™ Phase IIb Trial**
 - **Research program to develop oral delivery system for cervical cancer vaccine**
 - **A\$11.25 million raised through Share Purchase Plan**
 - **Key senior management appointments to oversee CVac™ clinical trials**
 - **Japanese patent secured for CVac™**
 - **Divestment of non-core Panvax cancer immunotherapy product**
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US FDA Phase IIb Clinical Trial for CVac™ ovarian cancer therapy vaccine commenced – ethics approval granted for CVac™ Phase IIb Trial

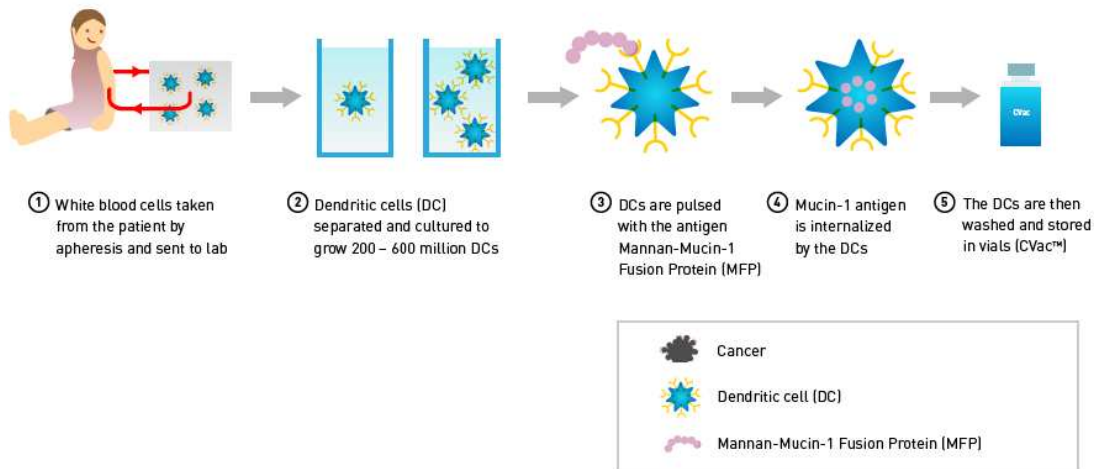
During the Quarter, the Company achieved a major milestone in its commercialisation of the CVac™ ovarian cancer therapy treatment vaccine, with the **commencement of its Phase IIb Clinical Trial for CVac™ with the US Food and Drug Administration (FDA).**

In December Prima received ethical approvals to commence the trial. Technology transfer of the manufacturing from Australia to the US, and design and research of immunological and potency assay were undertaken. Also, the Doctor-and-trial nurse investigator meeting has been held and Prima have worked together to fine tune aspects of the trial.

The next step is to commence patient recruitment for the trial.

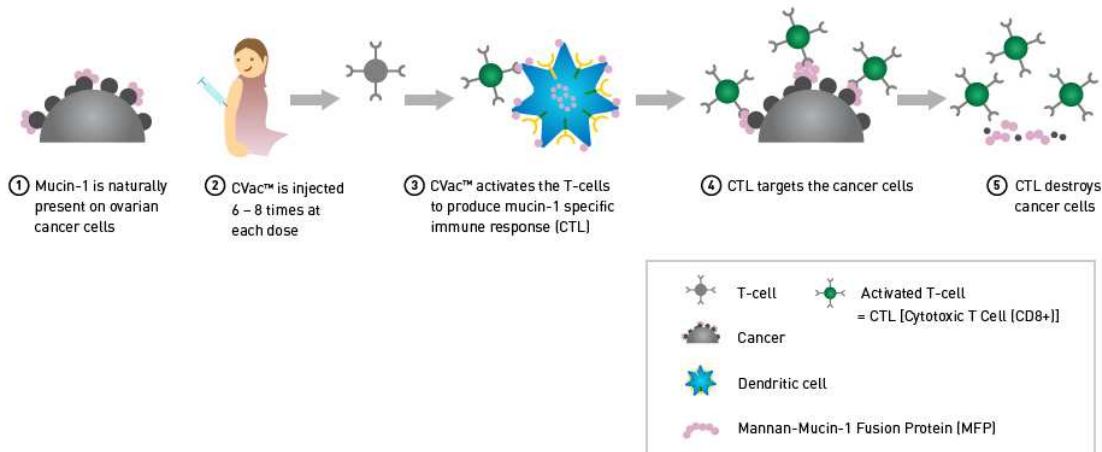
The Phase IIb Trial is being conducted on a 60 patient population across multiple centres in the USA and Australia and is being run out of the world-leading Fred Hutchinson Cancer Centre in Seattle. The objective of the trial is to further confirm the ability of CVac™ to reduce the instance of relapse in ovarian cancer patients, control the metastases of the cancer and increase patients' life expectancy. It will seek to add to the positive efficacy results from CVac™'s Phase IIa Trial on a larger patient population. The Phase IIa Trial was conducted on 28 patients in Australia and was completed in 2007.

Manufacturing of CVac



The commencement of the Phase IIb Trial is a major step forward for the Company in its commercialisation pathway for CVac™ into the multi-billion dollar global pharmacy oncology market.

Mechanism after injection



Prima also plans to commence a Phase III Clinical Trial for CVac™ in Europe in mid-2010. The Phase IIb and Phase III Trials will run concurrently and deliver results from a larger total patient population in a shorter timeframe.

Research program to develop oral delivery system for cervical cancer vaccine

In November the Company announced the commencement of a research program to develop an oral delivery system for vaccines for cervical cancer.

The development of an oral delivery system for cervical cancer vaccines is potentially a major breakthrough in drug delivery for cervical cancer treatment as it provides a suitable large scale alternative method of drug delivery to injection, which is currently the prime method of delivery.

Prima's aim is for the research program to lead to the development of a widely available, cost effective oral cervical cancer vaccine. This represents an opportunity for the Company to significantly increase the level of cervical cancer inoculation worldwide, which may have significant benefit for mass inoculation environments such as third world countries.

Prima has engaged the University of New South Wales (UNSW) and University of Queensland (UQ) to undertake the research program, under the leadership of Professor Ian Frazer, and Professor Neil Foster at the University of New South Wales.

A\$11.25 million raised through Share Purchase Plan

During the December Quarter the Company launched and completed a highly successful Share Purchase Plan, which raised gross proceeds of A\$11,256,108 via the issue of 80,401,244 shares at an issue price of 14 cents each to eligible shareholders.

Prima was delighted by the response from shareholders to the Share Purchase Plan and the funds raised will be used in the Company's Phase IIb Trial and other upcoming clinical trials.

Key senior management appointments to oversee CVac™ clinical trials

In November the Company made a key senior management appointment, with international pharmaceutical industry expert **Dr Neil Frazer being appointed as Prima's Chief Medical Officer.**

In his position with Prima Dr Frazer is based in the United States and will play a key role in overseeing Prima's key clinical trials for CVac™.

Dr Frazer has more than 23 years experience in the pharmaceutical industry with strong expertise in managing the clinical development process of new drug applications. He has been involved in the successful applications for 10 new chemical entities in multiple therapeutic areas and more than 20 applications for line extensions of pharmaceutical drug applications.

He is responsible for providing medical expertise for Prima's clinical programs, and will direct the clinical development of the Company's cancer vaccine drug candidates and help facilitate their approval with relevant government agencies.

Post the December Quarter, on 22 January, Prima announced another senior management appointment, that being **Mr Matthew Lehman as the Company's Chief Operating Officer.**

Mr Lehman will be based in Zurich, and will play a pivotal role in the Company's R&D programs and manage the European clinical trials for CVac™, planned for 2010.

Mr Lehman has extensive experience in clinical research, regulatory and drug development strategy, as well as operations and sourcing. Prior to joining Prima, he was Chief Operating Officer for SPRI Clinical Trials, an international contract research organisation, and was also Director of Operations for the Social Psychiatry Research Institute, a CNS drug research network in New York.

Both appointments represent key additions to the Company's world class medical and advisory team as it enters the late stage clinical trials phase for CVac™.

Japanese patent secured for CVac™

Prima also announced during the Quarter that its subsidiary company, Cancer Vac Pty Ltd, had received a Decision to Grant from the Japanese Patent Office for peptides that mimic the MUC1 antigen, which is the key cancer antigen under development in the Company's ovarian cancer immunotherapy program.

Prima is focusing the development of CVac™, its lead product, on targeting the tumour specific antigen Mucin-1, an antigen highly expressed on the surface of ovarian cancer cells.

The newly granted patent (number 4386209) has an expiry of 27 September 2016. The patent application was also granted in Australia, Europe, New Zealand and the USA. Japan has an Orphan Drug Designation program in place that provides 10 year exclusivity once the regulatory agency receives a priority review.

Divestment of non-core Panvax cancer immunotherapy product

Also during the Quarter, in October, the Company announced the divestment of one of its non-core products, the Panvax cancer immunotherapy product (DCtag™), to Professor Magdalena Plebanski.

Under the terms of the divestment, Prima retains an undisclosed holding of any future commercialisation royalties from Panvax. The divestment represented a positive outcome for the Company as it reduced the cash burn on what had become a non-core product, while also allowing for the ongoing development of Panvax by Professor Magdalena Plebanski and her team who are fully committed to the realising the product's full potential.

The Panvax product consists of a polystyrene nanoparticle acting as an adjuvant (DCtag™) which may be coupled to a variety of antigens for use in cancer and immunotherapy. The DCtag™ adjuvant acts as an immune enhancer by assisting dendritic cells to present attached antigen to the immune system.

For further information please contact:

Martin Rogers
Chief Executive Officer
Prima BioMed
Ph: +61 428 268 357
E: martin.rogers@primabiomed.com.au
Website: www.primabiomed.com.au

About CVac™

CVac™ is Prima BioMed's core product focus. It is a vaccine therapy treatment for ovarian cancer sufferers that is administered post-surgery and post-chemotherapy to delay the relapse and control the metastases of the cancer. There is a large un-met medical need for new treatments for ovarian cancer which has a very high morbidity rate, and there are currently no maintenance-based therapy products commercially available.

The Company has commenced its Phase IIb Trial for CVac™ with the US FDA and plans to commence a Phase III Clinical Trial for CVac™ in Europe in mid-2010. The Phase IIb and Phase III Trials aim to further confirm the ability of CVac™ to reduce the instance of relapse in ovarian cancer patients, control the metastases of the cancer and increase the life expectancy of patients.

Prima's ultimate goal is to commercialise CVac™ into the multi-billion dollar global pharmacy oncology market. The global market for ovarian cancer therapeutics was valued at US\$2.1b in 2007 and is expected to total US\$3.6b in 2010.

Appendix 4C – 2nd Quarter

Quarterly Report

For Entities Admitted on the Basis of Commitments

Introduced 31/3/2000. Amended 30/9/2001

Name of Entity:

Prima Biomed Limited (ASX:PRR)

ABN:

90 009 237 889

Quarter Ended ("Current Quarter")

31st December 2009

Consolidated Statement of Cash Flows

	Current quarter \$A'000	Year to date \$A'000
Cash flows related to operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) staff costs	(183)	(370)
(b) advertising and marketing	-	(26)
(c) research and development	(947)	(1,969)
(d) leased assets	-	-
(e) other working capital	(261)	(539)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	28	33
1.5 Interest and other costs of finance paid	(2)	(6)
1.6 Income taxes paid	-	-
1.7 Other - grants received	-	-
Net operating cash flows	(1,365)	(2,877)

+ See chapter 19 for defined terms.

**Appendix 4C Quarterly report for entities
admitted on the basis of commitments**

	Current quarter \$A'000	Year to date \$A'000
1.8 Net operating cash flows (carried forward)	(1,365)	(2,877)
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	-
1.10 Proceeds from disposal of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	-
1.11 Loans to other entities	-	-
1.12 Loans repaid by other entities	-	-
1.13 Other (provide details if material)	-	-
Net investing cash flows	-	-
1.14 Total operating and investing cash flows	(1,365)	(2,877)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.*	13,107	15,124
1.16 Transfer of shares	-	-
1.17 Proceeds from borrowings – convertible loan	-	-
1.18 Repayment of borrowings	-	-
1.19 Dividends paid	-	-
1.20 Other - capital raising costs	(117)	(199)
Net financing cash flows	12,990	14,925
Net increase (decrease) in cash held	11,625	12,048
1.21 Cash at beginning of quarter/year to date	1,363	940
1.22 Exchange rate adjustments to item 1.20	-	-
1.23 Cash at end of quarter	12,988	12,988

* Includes funds received from convertible loans that are repaid via equity issue.

+ See chapter 19 for defined terms.

Payments to Directors of the Entity and Associates of the Directors

Payments to Related Entities of the Entity and Associates of the Related Entities

		Current Quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	139
1.25	Aggregate amount of loans to the parties included in item 1.11	-
1.26	Explanation necessary for an understanding of the transactions	
	Directors' fees and consulting fees at normal commercial rates	

Non-Cash Financing and Investing Activities

- 2.1 Details of financing and investing transactions which have had a material affect on consolidated Assets and liabilities but did not involve cash flows

Repayments have been made towards convertible loans by the issue of ordinary fully shares (PRR) and unlisted options. Ordinary fully paid shares (PRR) have also been issued to consultants in accordance with the AGM and in recognition of services provided.

- 2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

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Financing Facilities Available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

		Amount Available \$A'000	Amount Used \$A'000
3.1	Loan facilities	37,500	3,800*
3.2	Credit standby arrangements	-	-

* 3.1m of the convertible loan amounts used have been converted to equity.

+ See chapter 19 for defined terms.

Reconciliation of Cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

		Current Quarter \$A'000	Previous Quarter \$A'000
4.1	Cash on hand and at bank	218	71
4.2	Deposits at call	12,770	1,292
4.3	Bank overdraft	-	-
4.4	Other – (provide details)	-	-
	Total: Cash at End of Quarter (item 1.23)	12,988	1,363

Acquisitions and Disposals of Business Entities

		Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1	Name of entity	Prima Biomed Europe Limited	-
5.2	Place of incorporation or registration	England and Wales	-
5.3	Consideration for acquisition or disposal	1 British Pound	-
5.4	Total net assets	1 British Pound	-
5.5	Nature of business	Clinical Trial	-

Compliance Statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.

Sign Here:



Company Secretary

Date: Wednesday 27th January 2010

Print Name: Phillip Hains

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 1026: Statement of Cash Flows* apply to this report except for the paragraphs of the Standard set out below.
 - 6.2 - reconciliation of cash flows arising from operating activities to operating profit or loss
 - 9.2 - itemised disclosure relating to acquisitions
 - 9.4 - itemised disclosure relating to disposals
 - 12.1(a)- policy for classification of cash items
 - 12.3 - disclosure of restrictions on use of cash
 - 13.1 - comparative information
3. **Accounting Standards.** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

+ See chapter 19 for defined terms.