



PRIMA BIOMED INVESTOR UPDATE

EDITION 2
DECEMBER 2010

Message from the CEO

Welcome to the second issue of the Prima BioMed Investor Update. I am pleased to report that since our first Investor Update, in September, the company has enjoyed a period of significant activity – and has continued to advance its clinical programs.



I am pleased to be able to share details of this activity in this issue of your Investor Update.

It provides me and the rest of the Prima Biomed team with great a deal of satisfaction to see the company continuing

to make strong progress towards our goal to develop and commercialise our headline cancer treatment product, the CVac™ immunotherapy vaccine for ovarian cancer.

Our goal is to provide a commercially available treatment vaccine for ovarian cancer sufferers, which is designed to extend patients' life expectancy and improve quality of life, and also generate significant revenues for the benefit of our shareholders.

2010 has been a pivotal year in the development timeline for CVac™, as it marks the commencement of our late stage clinical trials. We have already initiated our Phase IIb Trial for CVac™ with the US Food and Drug Administration (FDA) and Australia's TGA and have been working hard on preparations for a registration study, which will be conducted in Europe and is due to commence next year.

We have also been successful in having CVac™ granted Orphan Medicinal Product status in the USA. This is a significant milestone for CVac™ which will assist in the fast-tracking of its approvals process – along with other benefits.

I am also delighted to welcome Lucy Turnbull as the new chairman of your company's board. Lucy's combination of expertise in the health care and corporate sectors make her an outstanding addition to our board, and I and the rest of our team look forward to working with Lucy as we strive to achieve the company's goals.

I hope you enjoy this issue of the Prima Biomed Investor Update.

Martin Rogers - Chief Executive Officer

CVac™ gets Orphan Drug status in the US

The timeline for securing approval to commercially market a new drug is a rigorous and lengthy process, and involves a number of milestones and hurdles that must be met.

CVac™, has been in development for 13 years. In that time it has progressed through Phase I and Phase II trials and is now in Phase IIb trials, with a Phase III trial to commence in 2011.

One of the major milestones along the development path is the achievement of Orphan Medicinal Product designation.

We are delighted that CVac™ was granted Orphan Medicinal Product status by the US FDA in September. This follows our previous grant of Orphan Product status by the European regulators, and means that CVac™ now Orphan Product status recognition in the two major global markets – the US and Europe.

But what does Orphan Product status actually mean for Prima and CVac™?

Orphan Product designation is to provide incentives to encourage companies to pursue cures and treatments for rare diseases, such as our work in the area of ovarian cancer, where there is currently an unmet medical need from patients.

The Orphan Product designation will provide major benefits during CVac™'s commercialisation process in the US.

Specifically, key incentives include;

- the exclusive rights to the cure or treatment for a specific condition for a period of 7 years post the approval to commercially market CVac™
- providing priority review within the FDA
- the waiving certain of FDA fees
- the eligibility for funding grants, and
- the provision of tax reductions

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Meet the new Chairman

Lucy Turnbull joined the company as Chairman of the board in October. The company is delighted to have someone of Lucy's calibre and standing join the Prima team.



Lucy has strong links to the healthcare sector. She was previously Chairman of the New South Wales Government's Ministerial Advisory Committee on Biotechnology from 2001-2, and has been a Director of the Sydney Cancer Foundation (from 2002-6) and a Director and Chair of the Sydney Children's Hospital Foundation from 1993-2000.

She is currently on the Board of the Cancer Institute NSW.

Lucy also has strong experience in commercial legal practice and investment banking. During her career she has held a number of high profile positions, including Lord Mayor of the City of Sydney from 2003-2004 and, prior to that, Deputy Lord Mayor of Sydney from 1999-2003.

She is currently on the board of urban renewal organisation, the Waterloo Redfern Authority and the Sydney Metropolitan Development Authority.

Lucy is also active in the not for profit sector. She is currently Deputy Chairman of the Committee for Sydney, a board member of the US Studies Centre at Sydney University and the Centre for

Independent Studies. She is also a board member of the Biennale of Sydney and the Redfern Foundation.

Company to list on NASDAQ

In September the company announced plans to list on the NASDAQ market in the US.

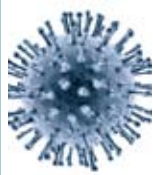
The company is in the midst of the United States Securities Exchange Commission approvals process and, subject to this being successful, the company will have dual listings of its securities on both the ASX and NASDAQ.

The NASDAQ listing will provide an easy means for US investors to invest directly in Prima Biomed shares. The company believes that in addition to providing a listed structure for both Australian and US investors, the NASDAQ listing will provide increased liquidity for Prima shares.

The strength and size of the US biotech market and the strong interest in Prima from US investors makes the NASDAQ listing a natural progression for the company.

Post the NASDAQ listing it is anticipated that there will be one NASDAQ share for every 30 Prima ASX-listed shares. The listing will be a Level II ADR compliance listing, and is being managed by Bank of New York Mellon and US broking house National Securities Corporation.





Update on other non-clinical programs

Cripto-1 immunotherapy cancer treatment

Oncomab Pty Ltd, a subsidiary company of Prima Biomed, has entered into a licensing agreement for the development of a Cripto-1 cancer immunotherapy treatment with leading Dutch pharmaceutical development company Bioceros.

This will allow for the further development of Oncomab's technology to create a Cripto-1 monoclonal antibody (mAB) as an immunotherapy treatment for cancers.

Cripto-1 is a protein found in high levels on the surface of different types of malignant tumour cells. It facilitates growth of the tumour cells and contributes to their spreading throughout the body. The antibody works by binding to the Cripto-1 molecule and interfering with local development of the tumour, and preventing distant seeding of tumour cells.

The global market for mAB treatments is estimated at US\$46.8 billion in sales in 2010 alone (by pharmaceutical industry research group,



GBI Pharmaceutical Research), which highlights the significant opportunity for Prima in this market.

Oral delivery system for cervical cancer vaccine

Prima also has a research program for the development of an oral delivery system for cervical cancer vaccines.

The development of an oral delivery system for cervical cancer vaccines would be a major breakthrough in cervical cancer treatment. It would provide a large scale alternative to the current prime method of drug delivery, which is via injection.

The plan is for the research program to lead to the development of a widely available, cost effective oral cervical cancer vaccine in tablet form. This would represent an opportunity for Prima to significantly increase the level of inoculation for cervical cancer worldwide.

The Company will provide further updates on the progression of these two programs in due course.

'Prima is investing in cutting edge scientific technology. An investment in Prima is an investment in scientific research and a better health care solutions for the future.'

Professor Ian Frazer
Prima BioMed Scientific
Advisory Board Chairman

Snapshot - How CVac™ works

The CVac™ immunotherapy cancer vaccine involves the manipulation of a patient's own (dendritic) cells outside the patient's body to create tumour-protein expressing dendritic cells that are then injected back into the patient to trigger a cytotoxic immune response to the protein, which leads to tumour regression.

The dendritic cells are removed from the patient (via a process similar to donating blood) and are then manipulated in the laboratory to express a tumour associated protein or antigen. These cells are then injected back into the cancer patient where they activate the killer T cells to fight the tumour.

Dendritic cells are a subset of white blood cells. Their primary role is to educate the immune system to recognise infection. When the dendritic cell

encounters foreign material it generates a recognition signal and triggers the immune system to respond by activating another subset of blood cells called cytotoxic or killer T cells. These cells then respond by killing the foreign material.

Dendritic Cell Therapy offers a number of advantages over other cancer treatments.

1. By targeting a protein that sits on tumour cells in a form not on normal cells, the side effects are minimal which is in stark contrast to cytotoxic agents (chemotherapy) which kill cells indiscriminately.
2. The process activates the immune system to recognise the tumour. Once the immune system is activated it will continue to fight the tumour, unlike antibody based therapies that need to be administered at frequent intervals to have their effect on tumours.

Please see the following link for a short video that demonstrates how the CVac™ vaccine works in practice for ovarian cancer patients; http://www.primabiomed.com.au/movies/movie_3.php.

The Demand for CVac™

CVac™ is an immunotherapy vaccine administered post-surgery and post-chemotherapy to treat late-stage ovarian cancer patients. It is designed to delay relapse and control metastases.

- The global market size for ovarian cancer is estimated to grow to US\$3.6B this year
- Each year 318,000 women are diagnosed with ovarian cancer globally
- In the major Western markets of the US, Europe, Australia and Japan, 73,000 women are diagnosed with ovarian cancer each year
- A maintenance style treatment like CVac™ would be the first of its type in the market and would initially aim to take a conservative 10-25% of the ovarian cancer treatment market
- A conservative 10% market share equates to approximately US\$360M per year
- Ovarian cancer is generally diagnosed at a late stage, and only 20-30% of patients with late stage disease survive for 5 years
- Median progression free survival after optimal surgery and chemotherapy is only 22 months
- A non-toxic treatment option, such as CVac™, creates a “no-brainer” for the oncologist
- CVac™ also has potential indications in several additional cancers

As a broad comparison, Wall St analysts of US company Dendreon Corporation have suggested that the market size for its Provenge immunotherapy treatment vaccine could be greater than US\$1.5B per indication. It is currently developing Provenge as a treatment for prostate cancer. Dendreon has FDA approval to commercially market Provenge, making it the first immunotherapy cancer treatment commercially available.

Prima BioMed – Fast Facts

Listings Australian Securities Exchange

ASX Code PRR

Issued Capital 743.8M

(Listed) Options 115.1M
(exercise price \$0.02 on or before 31 Dec 2011)

(Market Capitalisation A\$103.1M

Cash Position A\$14.7M

Board

Ms Lucy Turnbull, Chairman
 Mr Albert Wong, Deputy Chairman
 Mr Martin Rogers, Managing Director and CEO
 Dr Neil Frazer, Executive Director, Chief Medical Officer
 Dr Richard Hammel, Non-Executive Director

Senior Management

Mr Matthew Lehman, Chief Operating Officer
 Dr Sharron Gargosky, Senior Vice President, CVac™ Program
 Ginny Raymond, Clinical Affairs Director
 Vanessa Waddell, Business Development and Intellectual Property Manager
 Larisa Chisholm, Intellectual Property Manager

For further information please contact:

Mr Martin Rogers
 Chief Executive Officer
 Prima BioMed
 Ph: +61 (03) 9824 5254
 Mob: +61 428 268 357
 E: martin.rogers@primabiomed.com.au
 W: www.primabiomed.com.au

Forward looking statement

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