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ASX Announcement

BioDiem Regains Rights to LAIV Technology

Melbourne, 1 August 2011: Australian biopharmaceutical development company BioDiem Ltd (ASX: BDM) today announced that it has regained the rights to its Live Attenuated Influenza Vaccine (LAIV) candidate from Nobilon International B.V., a member of the MSD group (known as Merck in the United States and Canada). MSD's decision to return the rights to the LAIV technology came as a result of the company's on-going pipeline prioritization efforts.

BioDiem will receive technical and clinical dossiers involved in the development of the LAIV to date from Nobilon. This will include clinical data from the Phase I and Phase II trials in seasonal influenza that have taken place in Europe and technical data relating to the cell-based manufacturing of the LAIV.

As a result BioDiem has regained the world-wide licensing rights (excluding Russia and CIS) for the LAIV vaccine vector project which was announced in 2010. This project is a platform technology for vaccine design for different infectious disease and cancer indications. The global LAIV licensing rights are an important part of maximizing returns on this project.

BioDiem's CEO, Julie Phillips, said 'BioDiem now controls most of the global rights to the LAIV technology. This offers immediate significant advantages in terms of future out-licensing arrangements. We are very positive about the outlook for the LAIV technology, which has demonstrated great potential already through the WHO program. In particular we are very pleased about the expansion of the rights and territories we now have beyond Japan for the LAIV vector program as BioDiem moves towards a vaccine focus.'

The Chairman of BioDiem, Hugh Morgan, added that 'Considerable development on the LAIV has taken place since it was first licensed to Nobilon (now Merck) and thus the value of the asset has increased significantly. We are delighted to be beneficiaries of work done on the cell-based manufacturing technology which is an added value driver of the technology.'

About BioDiem Ltd

BioDiem is an ASX-listed company, based in Melbourne, with an international focus on finding, adding value to and commercialising world-class research for vaccines, infectious diseases and other therapeutic areas. The company uses a cost-efficient approach to drug development through collaborations with academic centres of excellence, contract research organizations and partnerships with international pharmaceutical companies.

BioDiem's leading product is the Live Attenuated Influenza Vaccine (LAIV) technology, a novel intranasal vaccine being developed to prevent infection from seasonal and pandemic influenza. The technology was licensed to BioDiem by the Institute of Experimental Medicine in St Petersburg. It has also been launched in India as NasoVac™ for protection against H1N1 influenza. For additional information, please visit www.biodiem.com

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