PRIMA BIOMED LTD
Australian Cancer Treatment Company

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PRIMA BIOMED ANNOUNCES PLANS TO RAISE APPROXIMATELY $38 MILLION

Australian healthcare company Prima Biomed Ltd (ASX: PRR) (Prima) is pleased to announce plans for a capital raising (Capital Raising) to raise gross proceeds of approximately $38 million, with the ability to accept applications in excess of that amount, to provide funding for its late stage trials of the CVac™ immunotherapy ovarian cancer vaccine[1].

The Capital Raising may, depending on the outcome of the placement, consist of:

- a Placement to institutional and sophisticated investors of approximately 64.3 million fully paid ordinary shares at $0.28 per share, to raise approximately $18 million before costs, with the ability to accept applications in excess of that amount; and
- a subsequent offer to existing eligible shareholders of up to $15,000 of shares per eligible shareholder under a Share Purchase Plan (SPP) to raise approximately $20 million before costs, with the ability to accept applications in excess of that amount.

The issue price under the Placement represents an 18.8% discount to the adjusted volume weighted average price for the five day period up to and including Tuesday 24 May 2011.

The SPP issue price will be the same as the price of the new ordinary shares issued under the Placement.

Funds raised under the Capital Raising will be used by the Company for its ongoing testing and development of the CVac™ immunotherapy ovarian cancer vaccine[1], including its Phase III clinical trials, and also to provide working capital for the Company.

The Capital Raising will not require shareholder approval.

Further details relating to the Capital Raising and an indicative timetable for the Capital Raising are set out in the Investor Presentation to be released together with this announcement. **The Annexure to the Investor Presentation contains some**

[1] Investors should refer to the Risks Section in the Investor Presentation (released to the market Wednesday 25 May 2011) as to the status and significance of clinical trials before making any investment decision. CVac™ is an autologous, dendritic-cell based therapy or cancer vaccine in an ongoing Phase IIb trial for the treatment of ovarian cancer. CVac™ has been tested in 14 patients (9 evaluable) in a Phase Ib trial, 28 patients (21 evaluable) in a Phase IIa trial and is recruiting 60 patients in an ongoing Phase IIb trial. The Company is planning on testing CVac™ in 800 patients in a Phase III trial. CVac™ is not approved for the treatment of patients, is based on early trials and is subject to further testing.

risk factors in relation to an investment in Prima to which all investors should refer prior to making any investment decision relating to Prima.

About the Share Purchase Plan

Participation in the SPP is optional and will be open to shareholders who were holders of shares as at the record date, Tuesday 24 May 2011 (Sydney time) and whose registered address is in Australia or New Zealand and who are not in the United States or a "U.S. person", as defined in Regulation S under the U.S. Securities Act of 1933, or acting for the account or benefit of a U.S person.

The SPP offer will open (and SPP offer documents will be dispatched to eligible shareholders) on or about Friday 3 June 2011. The SPP is currently expected to close at 5.00pm (Sydney time), Friday 24 June 2011.

The SPP shares are anticipated to trade on the ASX on a normal basis on Friday 1 July and will rank equally with existing shares on issue. The SPP is not underwritten and is not conditional on raising any minimum total amount. Prima will retain the ability to scale-back valid applications on a pro-rata basis at its discretion.

The SPP is non-renounceable. This means that eligible Prima shareholders who do not take up their entitlement to participate in the SPP will not be able to transfer or receive any value for those entitlements.

Update on CVac^{TM} clinical program

In February Prima announced that an agreement had been reached for the strategy and design for the Phase III Trial of the CVac^{TM} immunotherapy therapeutic ovarian cancer vaccine (see ASX announcement, 21 February 2011).

The agreement came after the European regulator, the European Medicines Agency (EMA) advised that Scientific Advice for the Phase III Trial had been granted. This was a significant milestone in the development of CVac^{TM}, and the Company can now progress with preparations for patient recruitment into the Phase III Trial.

The Phase III Trial will be conducted on 800 patients in a double-blind placebo controlled study, randomized 1:1 of CVac^{TM} vs Standard of Care. It will be conducted across multiples sites in Europe, the US and Australia.

The enrollment process is expected to begin in mid 2011 and reach full enrollment by the end of 2012. Interim data in relation to the Phase III Trial is expected to be available in late 2012-early 2013, and this will provide the first opportunity to observe statistical analysis of progression free survival. If statistical endpoints are successfully reached in the Phase III Trial, CVac^{TM} will be well placed to become the world's first ovarian cancer immunotherapy treatment.

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Neither this announcement nor any other documents relating to the placement may be sent or distributed to persons in the United States or "U.S. persons" as defined in Regulation S under the Securities Act.

About CVac™ Ovarian Cancer Treatment

CVac™ is Prima BioMed's core product. It is a vaccine therapy treatment for ovarian cancer sufferers that are 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 (60 patients) for CVac™ with the US FDA and plans to commence a Phase III Clinical Trial (800 patients) for CVac™ in Europe and US this year. 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.

Regulatory approval and commercialization of CVacTM is the core focus for Prima.

About Prima BioMed

Prima BioMed is an ASX listed Australian health care company. The Company is focused on technologies in the fields of cancer immunotherapy and immunology.

Prima's lead product is CVac™ ovarian cancer therapy treatment[2] . It has completed two successful clinical trials and is progressing toward eventual commercialization in the United States, Australia, Europe, and globally.

The Company's broader, long term goal is to develop commercial cancer treatment technologies and programs for global markets.

[2] Investors should refer to the Risks Section in the Investor Presentation (released to the market Wednesday 25 May 2011 as to the status and significance of clinical trials before making any investment decision. The scale of trials vary as follows: Phase 1b (14 patients, 9 evaluable), Phase IIa (28 patients, 21 evaluable), ongoing Phase IIb (60 evaluable patients), approaching Phase III (800 patients). The CVac™ immunotherapy ovarian cancer vaccine is based on early trials of limited scope and is subject to further testing.