



ASX Announcement (297)
31 July 2008

Company Announcement Office
Australian Securities Exchange
Level 45, South Tower
525 Collins Street
Melbourne Vic 3000

Dear Sir/Madam

Convertible Notes – Quarterly Report

Please find attached a copy of the quarterly report to the Trustee and the ASIC for the quarter ended 30 June 2008.

Yours sincerely

John Morrison
Company Secretary
Virax Holdings Limited



31 July 2008

**Virax Holdings Limited
Quarterly Report - 30 June 2008**

Pursuant to Section 283BF of the Corporations Act, in respect to the quarter ended 30 June 2008, Virax Holdings Limited (hereinafter referred to as "the Company"), in accordance with a resolution of directors, reports that:

1. There has been no failure by the Company to comply with the terms of the Virax Holdings Limited Convertible Notes ("the Notes") or the provisions of the Note Trust Deed between Australian Executor Trustees Limited and the Company dated 19 December 2007 ("Trust Deed") or Chapter 2L of the Corporations Act during the quarter ended 30 June 2008.
2. No event has happened during the quarter that has caused or could cause, one or more of the following:
 - (i) any amount deposited or lent under the Notes to become immediately payable;
 - (ii) the Notes to become immediately enforceable; or
 - (iii) any other right or remedy under the terms of the Notes or provisions of the Trust Deed to become immediately enforceable.
3. No circumstances have occurred during the quarter that may materially prejudice the Company or any of its subsidiaries. The Company has the following wholly owned subsidiaries:
 - Virax Scientific Management Pty Ltd
 - Virax Immunotherapeutics Pty Ltd
 - Virax Development Pty Ltd
 - Virax Facilities Pty Ltd
 - Virax Southern Africa Project Pty Ltd.
4. There has been no security or charge included in or created by the Notes or the Trust Deed. No charges have been created during the quarter.
5. There has been no change in the nature of the business of the Company or any of its subsidiaries during the quarter.
6. The obligations of the Company in respect to the Notes are not guaranteed by any person.
7. There are no net amounts outstanding on any advances at the end of the quarter where the Company has created a charge where:
 - (i) the total amount advanced on the security of the charge is indeterminate; or
 - (ii) the advances have merged in a current account with banks, trade creditors or anyone else.
8. There are no matters that may materially prejudice any security or the interests of the Note Holders.

9. The Company has advanced money to related bodies corporate (other than those referred to in subsection 283BF(7)(b) of the Corporations Act) as follows:

Name of Related Body Corporate	Amount Lent during quarter	Amount Owing at quarter end	Secured Yes/No
Virax Scientific Management Pty Ltd	-	108,869	No
Virax Immunotherapeutics Pty Ltd	150	8,269,159	Yes
Virax Development Pty Ltd	152,398	4,762,469	No
Virax Facilities Pty Ltd	101,764	4,131,103	No
Virax Southern Africa Project Pty Ltd	-	-	No

(Negative amounts represent repayments by subsidiaries during the quarter or balances due to subsidiaries by the borrower at the end of the quarter.)


These amounts have been advanced in the ordinary course of business of the Virax Group and only to wholly owned subsidiaries. These loan accounts are unsecured, save for the advance to Virax Immunotherapeutics Pty Ltd which is secured by a fixed and floating charge over that company's assets in favour of the Company.

10. The Company has not assumed any liability of a related body corporate during the quarter.

In making this report the Company notes that certain obligations of Gasmere Pty Ltd under a Convertible Note Shortfall Placement Agreement for \$500,000 of Convertible Notes remain outstanding, despite requests by the Company in accordance with the Agreement for Gasmere Pty Ltd to fulfil its obligations. The Company's ongoing discussions with Gasmere Pty Ltd have indicated that completion of its shortfall obligations will only occur upon a conclusion or settlement of the Opes Prime/ANZ Bank matters that produces a satisfactory result for Gasmere Pty Ltd. The Company is monitoring the situation, including the options of terminating the Agreement and taking action against Gasmere Pty Ltd for failure to perform its obligations. At this time no Convertible Notes have been issued to Gasmere Pty Ltd.

This report was made on 31 July 2008 in accordance with a resolution of the Directors of the Company.

Yours faithfully



John Morrison
Company Secretary
Virax Holdings Limited