



ASX Announcement (352)  
3 December 2009

Announcements Officer  
Company Announcements Office  
ASX Limited  
Exchange Centre  
Level 6, 20 Bridge Street  
SYDNEY NSW 2000

## 1 for 5 non-renounceable pro rata entitlement offer

### Chairman's Letter Offer Document Entitlement and Acceptance Form

Further to the Company's announcement of 23 November 2009, please find attached documents that are being mailed to Eligible Shareholders of Virax today.

Yours sincerely

**John Morrison**  
**Virax Holdings Limited**  
**Company Secretary**



**Virax Holdings Limited**

ABN 56 006 569 106

000001

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SAM

MR JOHN SAMPLE

FLAT 123

SAMPLE STREET

SAMPLE STREET

SAMPLE STREET

SAMPLETOWN VIC 3030



Dear Shareholder,

On behalf of the directors, I am pleased to offer you the opportunity to invest in Virax through this Rights Issue.

When fully subscribed, this Rights Issue will raise approximately \$1.3 million, before expenses. While you will find the details of the Offer in the Offer Document, I would like to point out the strategic context for Virax of this Rights Issue and its purpose.

This Offer is to enable Virax to reach the endpoint of the trials of VIR201 in South Africa and to allow an extended period of time for the receipt of a milestone payment from Transgene under the Co-X-Gene Technology™ Sub-licence.

The South African clinical trial has progressed well since the South African Medicine Control Council approval was obtained in August 2008. All patient recruitment was completed in August 2009 and it is anticipated that all patient visits will be completed prior to Christmas 2009. The Company has been fortunate to have been provided with full financial support for the direct cost of this trial through the Theravax Foundation – which in turn has been funded by donations from mining companies led by BHP Billiton.

Trial laboratory data analysis is scheduled for completion for Q2 2010 and the final report shortly thereafter.

Importantly during this year, the Company's collaborators from the University of Western Australian (Prof. Martyn French) presented data at the prestigious International AIDS Society meeting in July 2009 which demonstrated VIR201's *novel immune mechanism of action* that importantly differentiates it from other HIV vaccines candidates. This was data not previously available from the earlier Australian trials of VIR201. This observation, coupled with the planned end points from the South African trial, should position VIR201 at the forefront of therapeutic vaccine treatments for HIV patients.

The Company had anticipated that development by Transgene of their TG4010 program would have generated a milestone receipt to Virax by this time. That expectation was based on Transgene's public announcements. Virax now understands that Transgene are still involved in partnering discussions, and those discussions have not developed to a stage where a milestone receipt for the Company under the Sub-licence will be realised in the short term.

Accordingly, the Company submitted a proposal to its Noteholders for the deferral of their Redemption Date from 31 December 2009 to 31 December 2011. This was approved by a Noteholders resolution on 6 November 2009.

Over the past 18 months, the Company has undertaken cost savings and managed its costs effectively through the recent financially uncertain times.

The Company has received FDA approval to conduct Phase II trials of VIR201 in Australia and the United States, which will be reviewed in the light of the results from South Africa. The Company plans that this further trial would also be funded by non dilutive sources.

Directors believe that the Company has made significant clinical progress over the past twelve months, with the results available next year. In addition, Transgene has achieved significant clinical success with its products using Virax's platform Co-X-Gen<sup>™</sup> technology. The commercial benefits of Transgene's clinical achievements are anticipated to be available to Virax in the future.

The future strategy is to expand the Company's pipeline through common technology collaboration(s) and/or the introduction of a new program to augment VIR201 developments so as to provide the Company with a continuum of activity and development.

This Offer provides an opportunity for Shareholders to support the Company to ensure the full benefit of the recent achievements are realised and to enable the Company to seek out and negotiate suitable collaborations and other corporate opportunities from a position of strength.

To apply for New Shares under the Offer, you must complete the Entitlement and Acceptance Form accompanying this Offer Document. The closing date for acceptance and payment is 17 December 2009. If you have any questions concerning the Offer document or the Entitlement and Acceptance Form, please contact Computershare on 1300 151 632 (within Australia) or +61 3 9938 4344 (outside Australia).

This Offer Document contains full details of the Offer. Please read it carefully before deciding to invest. If you have any questions concerning the Offer, you should consult your professional adviser.

On behalf of the Board, I do thank all Shareholders for their loyalty and support.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Michael Humphris', written over a circular stamp or mark.

**Michael Humphris**  
Chairman



**Virax Holdings Limited**  
ABN 56 006 569 106

**Computershare**

**Please return completed form to:**  
Computershare Investor Services Pty Limited  
GPO Box 505 Melbourne  
Victoria 3001 Australia  
Enquiries (within Australia) 1300 151 632  
(outside Australia) 61 3 9938 4344  
[www.computershare.com](http://www.computershare.com)

## Virax Holdings Limited

### Offer Document

- 1 for 5 non-renounceable pro-rata entitlement offer
- Issue price 5 cents per New Share
- To raise up to \$1.3 million (before expenses)
- Not underwritten, no minimum subscription

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#### 1. The Offer and eligibility

Virax Holdings Limited ABN 56 006 569 106 offers Eligible Shareholders the opportunity to subscribe for 1 New Share for every 5 Shares held on the Record Date at a price of 5 cents per New Share.

A person will be eligible to participate in the Offer if:

- (1) the person was a registered holder of Shares at 7:00pm (AEDT) on Tuesday, 1 December 2009 (**Record Date**); and
- (2) the person's registered address is in Australia or New Zealand.

The Company has determined that it is not practical for holders of Shares with registered addresses in other jurisdictions to participate in the Offer, having regard to the number and value of New Shares they would be offered and the costs of complying with the regulatory requirements in those places.

To the extent that a person holds Shares on behalf of another person resident outside Australia or New Zealand, it is that person's responsibility to ensure that any acceptance complies with all applicable foreign laws.

This Offer Document does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. In particular, the New Shares to be issued under this Offer have not been and will not be registered under the Securities Act, or the securities laws of any state or other jurisdiction of the United States.

In order to comply with relevant securities laws, the New Shares to be issued under this Offer may not be offered to shareholders located in the United States or to shareholders who are, or who are acting on the account or for the benefit of, US persons. Accordingly, this Offer document and any other material relating to the Offer must not be sent to any person resident in the United States or to shareholders who are, or who are acting on the account or for the benefit of, US persons.

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## 2. Entitlements

The Offer is for 1 New Share for every 5 Shares held on the Record Date.

The entitlement of each Eligible shareholder is set out on the Entitlement and Acceptance form which accompanies this Offer Document (fractional entitlements have been rounded up).

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## 3. Key Dates

Key dates for the Offer are as follows:

Announcement of the Offer	Monday, 23 November 2009
Record Date	7 pm (AEDT), Tuesday 1 December 2009
Despatch of Offer Document and Entitlement and Acceptance forms	Thursday, 3 December 2009
Closing Date	5 pm (AEDT), Thursday 17 December 2009
Allotment of Shares	Thursday, 24 December 2009
Trading of New Shares expected to commence on ASX	Tuesday, 29 December 2009
Holding statements expected to be despatched to shareholders	Wednesday, 30 December 2009

These dates are indicative only and are subject to change. The Company reserves the right to amend this indicative timetable without notice. In particular, the Company reserves the right, subject to the Corporations Act and the Listing Rules to close the Offer early, to extend the Closing Date or to withdraw the Offer without prior notice. Any extension of the Closing Date will have a consequential effect on the date for the allotment of New Shares.

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## 4. Use of funds and effect of the Offer

### 4.1 Use of proceeds

The Offer will raise approximately \$1.3 million (before expenses), if fully subscribed.

The proceeds of the Offer will be used to fund the normal operations of the Company. Based on current levels of expenditure, the funds raised, together with existing cash reserves, will enable the Company to continue normal operations at current expenditure levels until approximately November 2010 if the Offer is fully subscribed.

### 4.2 Effect of the Offer

The total number of New Shares to be issued pursuant to this Offer, if fully subscribed, will be approximately 26,137,197 (the exact number depends on rounding-up of individual holdings). The table below summaries the capital structure before and after completion of the Offer:

Number of Shares (assuming full subscription)	
Existing Shares	130,685,986
New Shares to be issued under the Offer	26,137,197
<b>TOTAL</b>	<b>156,823,183</b>

The effect of the Offer will be to increase the number of Shares on issue and increase the cash held by the Company (assuming the Offer is fully subscribed) from approximately \$750,000 to \$1,986,000. There is no minimum subscription and the Offer is not underwritten. Expenses of the Offer are expected to be approximately \$70,000.

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## 5. Offer Price

The price payable for each New Share under the Plan will be 5 cents which represents a 18% discount to the closing market price of Shares on ASX prior to the announcement of this Offer on 20 November 2009.

Eligible Shareholders will not be obliged to pay brokerage or other fees in respect of New Shares acquired under the Offer (although the Company will pay certain professional and other fees to third parties).

Eligible Shareholders should note that the market price of Shares may rise and fall between the date of this Offer and the date when New Shares are allotted under the Offer. Accordingly, the price you pay per New Share pursuant to this Offer may be either higher or lower than the market price of Shares at the time of this Offer or at the time the New Shares are allotted to you under this Offer.

Virax recommends that you monitor the price of Shares, which can be found in the financial pages of major Australian metropolitan newspapers, or on the Australia Securities Exchange website at [www.asx.com.au](http://www.asx.com.au) (ASX code: VHL)

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## 6. Applications

### 6.1 Applying for New Shares

An Eligible Shareholder may apply for New Shares by completing the Entitlement and Acceptance Form which accompanies this Offer Document and returning it to:

Virax Holdings 2009 Rights Issue  
c/- Computershare Investor Services Pty Limited  
GPO Box 505  
Melbourne, VIC 3001

by no later than 5.00 pm AEDT on the Closing Date.

The Company may, but is not obliged to, accept an Application received after the Closing Date if the Application is postmarked prior to the Closing Date. If the Company does not accept an Application for any reason, the Company will refund any excess Application Monies to the Eligible Shareholder, without interest, not later than 10 Business Days after the New Shares are allotted.

### 6.2 Applying for Additional New Shares

Having applied for your full entitlement, you may wish to apply for more New Shares than the number shown on your Entitlement and Acceptance Form. That is, you may wish to apply for "Additional Shares". To do this, complete the "Additional Shares" section provided on the Entitlement and Acceptance Form.

Applications for Additional Shares may be considered if a Shortfall exists. Additional Shares will be issued to Eligible Shareholders at the discretion of the Directors. There is no guarantee that you will receive Additional Shares.

### 6.3 Form of payment

Payment of Application Monies will only be accepted in Australian currency and as follows:

- Through BPAY<sup>®1</sup>. Eligible Shareholders can make their payment by BPAY in accordance with the instructions set out in accompanied personalised Entitlement and Acceptance Form. Payment must be made using the reference number on the form and must be made by 5.00pm (AEDT) on the Closing Date. The reference number is used to identify your holding, If you have multiple holdings you will have multiple reference numbers. You must use the reference number on each Entitlement and Acceptance Form to pay for each holding separately. Eligible Shareholders making a payment by BPAY are not required to return their Entitlement and Acceptance Form;

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<sup>1</sup> <sup>®</sup> Registered to BPAY Pty Ltd ABN 69 079 137 518

- By bank cheque drawn on and redeemable at any Australian bank; or
- By personal cheque drawn on and redeemable at any Australian bank.

Cheques or bank cheques should be made payable to “**Virax Holdings 2009 Rights Issue**” and crossed “**Not Negotiable**”.

Eligible Shareholders are asked not to forward cash. Receipts for payment will not be provided.

If you do not receive any or all of the Additional Shares you applied for, any excess Application Monies will be returned to you (without interest).

#### 6.4 **Shortfall**

The Directors reserve the right to issue any Shortfall at their discretion.

As set out in section 6.2, Eligible Shareholders may apply for Additional Shares which may be issued in the case of a Shortfall.

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### 7. **Effect of Application**

By applying for New Shares under an Offer, an Eligible Shareholder is taken to:

- (1) agree to be bound by the terms and conditions set out in this Offer Document and the Entitlement and Acceptance Form;
- (2) authorise the Company to place the Eligible Shareholder's name on the Company's Register in respect of those New Shares; and
- (3) agree to be bound by the Company's constitution.

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### 8. **Rights attaching to New Shares**

New Shares will rank equally with existing Shares and will carry the same voting rights, dividend rights and other entitlements at the date they are issued.

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### 9. **Important Information**

The Offer is being made without a prospectus in accordance with section 708AA of the Corporations Act as modified by ASIC Class Order 08/35. The Offer Document is not a prospectus or other form of disclosure document regulated by the Corporations Act and has not been lodged with ASIC.

The Offer Document does not constitute financial product advice and has been prepared without taking into account each Eligible Shareholders investment objectives or financial circumstances. The Offer Document does not purport to contain all the information that Eligible Shareholders may require to evaluate an investment in Virax.

Before deciding whether to apply for New Shares, each Eligible Shareholder should consider whether Virax is a suitable investment for them in light of their own investment objectives and financial circumstances and should seek professional advice from their accountant, stockbroker, lawyer or other professional adviser before deciding whether to invest.

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### 10. **Alteration of terms**

The Company reserves the right, in its discretion, to vary, suspend or cancel the Offer at any time, subject to the Corporations Act, the ASX Listing Rules and any other law or regulation to which the Company is subject.

Any variation, suspension or cancellation does not give rise to any liability on the part of or any action against, the Company or any member of the Board and will be binding on all Eligible Shareholders.

If the Board determines to suspend or cancel the Offer during the currency of an Offer, any Application Monies received by the Company will be refunded to the Eligible Shareholder, without interest, as soon as reasonably practical after the suspension or cancellation and in any event within 10 Business Days after the Closing Date.

If you have any questions in respect of the Offer, please contact the Company's Share Registry, Computershare Investor Services Pty Limited, on:

Telephone: (within Australia) 1300 151 632  
(Outside Australia) 61 3 9938 4344

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## 11. Definitions

Terms and abbreviations used in this Offer Document have the following meaning:

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<b>Additional Shares</b>	New Shares applied for by Eligible Shareholders in excess of their Entitlement.
<b>Application</b>	A valid application by way of an Entitlement and Acceptance Form
<b>Application Monies</b>	Monies paid by Eligible Shareholders in respect of New Shares they apply for
<b>ASIC</b>	Australian Securities and Investments Commission
<b>ASX</b>	ASX Limited ABN 98 008 624 691
<b>Business Day</b>	An Australian business day that is not a Saturday, Sunday, or any other day which is a public holiday or bank holiday in the place where an act is to be performed or a payment is to be made
<b>Closing Date</b>	5:00pm (AEDT) on Thursday 17 December 2009 (unless extended)
<b>Corporations Act</b>	<i>Corporations Act 2001</i> (Cth)
<b>Corporations Regulations</b>	<i>Corporations Regulations 2001</i> (Cth)
<b>Director</b>	A director of the Company
<b>Eligible Shareholder</b>	A person who meets the requirements set out in section 1
<b>Entitlement and Acceptance Form</b>	The application form which accompanies this Offer Document
<b>Listing Rules</b>	The ASX Listing Rules
<b>New Share</b>	A Share to be issued pursuant to the Offer
<b>Offer</b>	The offer of New Shares under this Offer Document
<b>Offer Document</b>	This document
<b>Share</b>	A fully paid ordinary share in the Company
<b>Securities Act</b>	Securities Act of 1933 of the USA
<b>Shortfall</b>	Those New Shares not subscribed for by way of an Application pursuant to this Offer Document by the Closing Date
<b>United States</b>	Has the meaning given to that term in Regulation S under the Securities Act
<b>US Person</b>	Has the meaning given to that term in Regulation S under the Securities Act
<b>Virax or Company</b>	Virax Holdings Limited ABN 56 006 569 106

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**Virax Holdings Limited**  
ABN 56 006 569 106



**Please return completed form to:**  
Computershare Investor Services Pty Limited  
GPO Box 505 Melbourne  
Victoria 3001 Australia  
Enquiries (within Australia) 1300 151 632  
(outside Australia) 61 3 9938 4344  
www.computershare.com



000001  
000  
VHL  
MR JOHN SMITH 1  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

Securityholder Reference Number (SRN)



I 1234567890 I N D

Use a black pen.  
Print in CAPITAL letters  
inside the grey areas.

A	B	C	1	2	3
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For your security keep your SRN/HIN confidential.

## Entitlement and Acceptance Form (including Additional Shares)

This personalised form can only be used in relation to the securityholding represented by the SRN or HIN printed above. This is an important document and requires your immediate attention. If you are in doubt about how to deal with this document, please consult your financial or other professional adviser.

### Non-Renounceable Pro-Rata Entitlement Offer closing 5.00pm (AEDT) on 17 December 2009

Non-Renounceable Pro-Rata Entitlement Offer of 1 New Share for every 5 Shares registered and entitled to participate at the record date at an issue price of A\$0.05 per New Share.

Receipt of the slip below by 5.00pm (AEDT) on 17 December 2009 with your payment, utilising the payment options detailed overleaf, will constitute acceptance in accordance with the terms of the Offer Document dated 23 November 2009.

I/We enclose my/our payment for the amount shown below being payment of A\$0.05 per New Share. I/We hereby authorise you to register me/us as the holder(s) of the Share(s) allotted to me/us, and I/we agree to be bound by the Constitution of the Company.

<b>A</b>	<b>Securityholder Entitlement details</b>
Subregister	Issuer
Existing Shares entitled to participate at Record Date on 1 December 2009	XXX,XXX,XXX
Entitlement to New Shares on a 1 for 5 basis	XXX,XXX,XXX
Amount payable on full acceptance at A\$0.05 per New Share	X,XXX,XXX.XX
Entitlement Number	123456789012

See back of form for completion guidelines

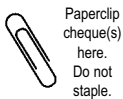
SAMP\_PAYMENT\_000000/000001/000001/1

105185\_00WRZD

VHL

NRRB

▼ PLEASE DETACH HERE ▼



Paperclip cheque(s) here. Do not staple.



Virax Holdings Limited  
ABN 56 006 569 106

Please see overleaf for Payment Options

Ent:	X,XXX	Pay:	X,XXX
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**Biller Code: 124743**

**Ref No: 1234 5678 9012 3456 78**

<b>B</b>	Number of New Shares applied for	<b>C</b>	Number of Additional New Shares applied for	<b>D</b>	Amount enclosed at A\$0.05 per New Share
	<input type="text"/>		<input type="text"/>		A\$ <input type="text"/>

<b>E</b>	Payment Details – Please note that funds are unable to be directly debited from your bank account				
Drawer	Cheque Number	BSB Number	Account Number	Cheque amount	
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	A\$ <input type="text"/>	

Make your cheque or bank cheque payable to "Virax Holdings 2009 Rights Issue" and crossed "Not Negotiable"

<b>F</b>	Contact Details	Contact person's daytime telephone number
	Please provide your contact details in case we need to speak to you about this slip	
	Name of contact person	( <input type="text"/> ) <input type="text"/>
	<input type="text"/>	

1234567890123456+1234567890-3051+12

# How to complete the Entitlement and Acceptance Form

Note that photocopies will not be accepted. These instructions are cross-referenced to each section of the Entitlement and Acceptance Form.

<b>A</b> <b>Securityholder Entitlement Details</b> Details of your Entitlement based on your Securityholding at 7.00pm (AEDT) on 1 December 2009 are shown in box A on the front of this Entitlement Form.	<b>E</b> <b>Payment Details</b> You can apply for shares utilising the payment options detailed below. <b>Please note that funds are unable to be directly debited from your bank account.</b> By making your payment using either electronic means or by cheque or bank cheque, you confirm that you: <ul style="list-style-type: none"><li>agree to all of the terms and conditions as detailed in the Offer Document dated 23 November 2009</li></ul> Your cheque or bank cheque must be made in Australian currency and drawn on an Australian branch of a financial institution. Such payment must be made payable to "Virax Holdings 2009 Rights Issue" and crossed "Not Negotiable". Payments not properly drawn may be rejected. Cheques will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques returned unpaid may not be re-presented and may result in your Acceptance form being rejected. Paperclip (do not staple) your cheque(s) to the form where indicated. Cash will not be accepted. Receipt of payment will not be forwarded.
<b>B</b> <b>New Shares Applied for</b> You can apply to accept either all or part of your Entitlement. Enter in box B the number of New Shares you wish to accept from your Entitlement. <b>Please ensure you complete Section B on the bottom of the form.</b>	<b>F</b> <b>Contact Details</b> Enter the name of a contact person and telephone number. These details will only be used in the event that the registry has a query regarding the slip below.
<b>C</b> <b>Additional New Shares Applied for</b> If you accept all your Entitlement you can apply for Additional Shares (if any). Application for Additional Shares may be considered if a Shortfall exists. Additional Shares will be issued to Eligible Shareholders at the discretion of the Directors. There is no guarantee that you will receive Additional Shares. <b>Please ensure you complete Section C on the bottom of the form.</b>	
<b>D</b> <b>Acceptance Monies</b> Enter the amount of Acceptance Monies. To calculate the amount payable, multiply the number of New Shares and Additional Shares (if any) applied for by A\$0.05. <b>Please ensure you complete Section D on the bottom of the form.</b>	

The directors reserve the right to make amendments to this form where appropriate.

## Lodgement of Acceptance

If you are applying for shares and your payment is being made by BPAY®, you do not need to return the slip below. Your payment must be received by no later than 5.00pm (AEDT) on 17 December 2009. Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment, and should therefore take this into consideration when making payment. Ensure you have read and accurately followed your banking institution's BPAY FAQ or other instructions prior to making multiple payments for multiple holdings under this offer. Neither CIS nor Virax Holdings Limited accepts any responsibility for loss incurred through incorrectly completed BPAY payments. It is the responsibility of the applicant to ensure that funds submitted through BPAY are received by this time.

If you are paying by cheque or bank cheque the slip below must be received by Computershare Investor Services Pty Limited (CIS) (Melbourne) by no later than 5.00pm (AEDT) on 17 December 2009. You should allow sufficient time for this to occur. A reply paid envelope is enclosed for security holders in Australia. New Zealand holders will need to affix the appropriate postage. Return the slip below with cheque attached.

Neither CIS nor the Company accepts any responsibility if you lodge the slip below at any other address or by any other means.

## Privacy Statement

Personal information is collected on this form by CIS, as registrar for securities issuers ("the issuer"), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal information may be disclosed to our related bodies corporate, to external service companies such as print or mail service providers, or as otherwise required or permitted by law. If you would like details of your personal information held by CIS, or you would like to correct information that is inaccurate, incorrect or out of date, please contact CIS. In accordance with the Corporations Act 2001, you may be sent material (including marketing material) approved by the issuer in addition to general corporate communications. You may elect not to receive marketing material by contacting CIS. You can contact CIS using the details provided on the front of this form or e-mail [privacy@computershare.com.au](mailto:privacy@computershare.com.au)

**If you have any enquiries concerning this form or your entitlement, please contact CIS on 1300 151 632 (within Australia) or +61 3 9938 4344 (outside Australia).**

This form may not be used to notify your change of address. For information please contact CIS on 1300 151 632 (within Australia) or +61 3 9938 4344 (outside Australia) or visit the share registry at [www.computershare.com](http://www.computershare.com). (Issuer Sponsored Holders only)

**CHES holders must contact their Controlling Participant to notify a change of address.**

## Payment Options:



**Bill Code:** 124743

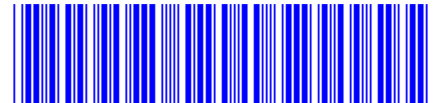
**Ref No:** 1234 5678 9012 3456 78

Telephone & Internet Banking – BPAY

Call your bank, credit union or building society to make this payment from your cheque or savings account. More info: [www.bpay.com.au](http://www.bpay.com.au)



**Virax Holdings 2009 Rights Issue  
Computershare Investor  
Services Pty Limited  
GPO Box 505  
Melbourne, Victoria 3001  
AUSTRALIA**



Entitlement Number: <xxxxxxxxxx>

**SAMPLE CUSTOMER  
SAMPLE STREET  
SAMPLE STREET  
SAMPLE STREET  
SAMPLE STREET  
SAMPLETOWN TAS 7000**

