



ASX Announcement

For immediate release

Company update

Melbourne, Australia, 26 February 2015

Key points:

1. North Pratt coal mine – coal shipments commenced
2. Apricitabine (ATC) – planning for Ph.III pivotal trial underway including first trial site
3. Organisation changes – search for CEO commenced

North Pratt coal mine

As advised at Avexa's 2014 AGM, the investment and construction phase of our investment in the North Pratt coal mine near Birmingham, Alabama has been completed. The re-opening of the mine and associated development (including the commissioning of the wash plant) have also been fully completed and production of metallurgical coal is now underway. Coal production is planned to average approximately 25,000 tons per month and the first cash from sales relating to the commercial contract negotiated in late 2014 is expected during March.

Further, Avexa and its investor partners have approved the acquisition of a second continuous miner. The management team of CHUSA has identified a few reconditioned continuous miners and is in the process of negotiating terms of the acquisition including vendor financing. This second continuous miner is expected to increase production to approximately 45,000 tons per month and is expected to be commissioned during early Q2, 2015.

Apricitabine (ATC)

The advent of first cash-flows from North Pratt allows the Directors to approve the immediate planning of the final pivotal Phase III clinical trial. This planning, inter alia, will include the establishment of a first trial site. Iain Kirkwood, Executive Chairman said "The Directors are delighted that the coal mine investment is finally meeting its financial criteria and objective to provide funds for the final ATC clinical trial."

Together with our partner, Link Healthcare, Avexa has established an Early Access scheme to make ATC available to patients in great need. Specialised ATC product was produced by NextPharma, a global pharmaceutical contract development and manufacturing organisation headquartered in the United Kingdom, and shipped to Link's warehouse in Singapore for global availability. A dedicated electronic portal for physicians has been set up by Link Healthcare to facilitate ease of access.



Organisational changes

Arising from the impending realisation of the investment objective of the North Pratt coal mine, Avexa has initiated a search for a Managing Director & CEO. Accordingly, a key focus of the prospective MD/CEO will be to manage this major investment and utilise the funds to drive the commercialisation of ATC.

Dr Jonathan Coates, who has held the dual roles of Interim CEO and CSO for some four years, will retire from the role of Interim CEO with effect from 1 March 2015. During the executive search period, Iain Kirkwood will assume the role of Executive Chairman. Dr Coates will be retained by Avexa as CSO.

Iain Kirkwood, Executive Chairman said "The board takes this opportunity to thank Jonathan very much for bearing the additional responsibility these past four years. Often it has been a difficult task for which he has earned the gratitude of the board and his colleagues".

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About Avexa Limited

Avexa Limited is a Melbourne-based biotechnology company with a focus on discovery, development and commercialization of small molecules for the treatment of infectious diseases. Avexa's key projects include Apricitabine (ATC) for the treatment of drug-resistant HIV, an HIV integrase program and an antibiotic program for antibiotic-resistant bacterial infections.

For more information:

Iain Kirkwood
Executive Chairman
Mob: +61 408 473 496
Avexa: +61 3 8888 1040

www.avexa.com.au