

**A V E X A**

Avexa Limited
ABN 53 108 150 750
576 Swan Street Richmond
Victoria Australia 3121

Telephone 61 3 9208 4300
Facsimile 61 3 9208 4004
Website www.avexa.com.au

ASX Release

CHAIRMANS ADDRESS

25 November 2008

I would like to thank you for joining us this morning. It is an interesting challenge to address a group of shareholders at the end of a year which has seen enormous economic turmoil across the broader global markets. Despite these issues and the resulting volatility in the Australian life science industry, Avexa has achieved significant progress toward our goals and we believe that ultimately this will be reflected in the Company's share price.

As some of you may know, my background is in investment banking and corporate finance, specifically mergers & acquisitions in biotech and medical devices across a number of geographic areas, including North America, Europe, and here in Australia. Working closely with the rest of my colleagues on the board, I hope to continue to use my capital markets background and global network to help Avexa achieve on its promise as one of the leading biotech companies in Australia.

My appointment as chairman coincides with the board appointments of Mr David Bottomley and Mr Alan Boyd.

David is currently a principal and founder of Ryder Capital, an independent Australian corporate advisory firm, and he has had significant global experience in originating and executing M&A and capital markets transactions, with a great deal of experience in the healthcare industry. Alan has had over 24 years of finance experience and currently serves as Avexa's Chief Financial Officer. I've had the opportunity to work with both David and Alan in the past and I am very confident in the current makeup of your board. I believe that this board restructure is incredibly important as we now have the flexibility, skillset, and experience to execute on our strategic goals such as facilitating negotiations with potential international partners.

Avexa is a company that I have been following since its inception and I am impressed with the likelihood for success of apricitabine (ATC). In March, we were able to announce remarkable 48 week data from ATC's phase IIb clinical trial, showing that at week 48, the proportion of patients with HIV levels below detectable was over 90%. Combined with ATC's very favourable safety profile, this announcement marked a pivotal point in the progress toward commercialisation of this valuable new treatment for HIV, greatly enhancing its probability of success.

As you know, HIV is a disease that continues to present major and persistent challenges to the medical world. Its eradication is looking increasingly remote, and as resistance to current treatments increases, the need for new drugs increases as well. It is likely that for the foreseeable future, HIV will continue to be treated not with single drugs but with combinations of drugs of different classes, opening up many opportunities for ATC to become an important part of the treatment regime.

**A V E X A**

Avexa Limited
ABN 53 108 150 750
576 Swan Street Richmond
Victoria Australia 3121

Telephone 61 3 9208 4300
Facsimile 61 3 9208 4004
Website www.avexa.com.au

As a result of working closely with US (FDA) and European (EMA) regulators to incorporate their feedback into trial design, the FDA has granted ATC accelerated review and fast track status. The regulatory review has expanded the scope of the phase III trial originally envisaged by the Company, so exploring all strategic options that will bring ATC to market has become my foremost priority, as well as that of the rest of the board and the management team, led by Dr Julian Chick.

The path forward for Avexa is extremely encouraging, particularly when consideration is given to the fact that ATC is one of only two new HIV therapies in Phase III clinical trials, anywhere in the world. Every HIV therapy that commenced Phase III testing has successfully completed these trials and has ultimately been approved in major markets. Yesterday we announced that we have completed recruitment of the first 160 patients for the two-dose component of our Phase III trial for ATC, with over 300 patients in the screening or dosing stages of the trial. The trial is ongoing with over 130 specialist HIV centers in 15 countries and results from this component of the trial are expected in the second quarter of 2009.

In addition, Avexa has a valuable pipeline including our HIV Integrase program, our antimicrobial program, and our HCV program – all of which show great potential and will be elaborated on by Julian in his presentation.

With respect to our share price, we are disappointed with the current levels the shares are trading in. It would be a severe understatement to say that we do not believe that the shares accurately reflect the intrinsic value within the business. Our board understands that it is our responsibility to find ways to deliver value that is undeniable to the capital markets. I can assure you that we have been working to deliver this value by developing, assessing, and driving numerous potential opportunities forward – but it is also our role to make the best choices for our company in terms of long-term value, and thus I ask for your confidence in our judgement as to what the ideal timing and parameters are for partnering.

Overall, I believe that the best criterion to judge a company on is whether it has succeeded on executing operational goals that deliver substantial value. In my opinion, the Avexa executive team has truly been outstanding and has successfully delivered on substantial milestones which are valuation inflection points that would have ordinarily been reflected in our share price were it not for the global economic turmoil. At this time, the jewel in our portfolio, ATC, is also perhaps the top clinical jewel in the entire Australian biotech industry.

Further to that, we are on track to be one of the leading antiviral biotech companies globally, and the continued interest from the US institutional community in Avexa validates our global competitiveness and our potential going forward.

With the support of you, our shareholders, we will continue to move forward toward our goals during the next financial year, and I commit to you as chairman to doing my utmost to unlock the value within the company.

**A V E X A**

Avexa Limited
ABN 53 108 150 750
576 Swan Street Richmond
Victoria Australia 3121

Telephone 61 3 9208 4300
Facsimile 61 3 9208 4004
Website www.avexa.com.au

I will now hand the microphone to Dr Julian Chick, for a more detailed report covering the company's operations, and I respectfully request that you please hold any questions for us until the scheduled Q&A session after Julian's presentation.

For more information:

Avexa Limited
Dr. Julian Chick
Chief Executive Officer
+61 3 9208 4300

Investor Relations
Blueprint Life Science Group
Sabrina Antoniou
+61 400 788 277
+61 2 9519 5537

www.avexa.com.au

Avexa Limited is a Melbourne-based biotechnology company with a focus on research and development of drugs for the treatment of infectious diseases. Avexa has dedicated resources and funding for key projects including its HIV integrase program and an antibiotic program for antibiotic-resistant bacterial infections which have both entered IND-enabling study stage. The Company's lead program is apricitabine (ATC), an anti-HIV drug which has successfully completed the 48 week dosing of its Phase 2b trial and has recently initiated Phase 3 trials.