



ASX/Press Release

AVEXA ANNOUNCES UPDATE TO 2009 CAPITAL RAISING EFFORT RECEIVES ADDITIONAL FUNDING FROM U.S. INSTITUTIONAL INVESTOR

Melbourne, Australia, 29 May 2009: Avexa Limited (ASX: AVX) announced today the raising of an additional \$1 million from a U.S. institutional investor. The Company has now raised a total of \$18 million from the 2009 Rights Issue and subsequent placements. This private placement follows the Company's recent oversubscribed Rights Issue, in which investors outside Australia and New Zealand were not able to participate.

This transaction completes Avexa's current capital raising activities which commenced with the announcement of its Rights Issue on 25 March 2009. To date, the Company has raised \$18 million, before costs, from the 2009 Rights Issue and subsequent placements. The terms of this placement were consistent with the Rights Issue offering, and as such, 15 million shares were issued at a price of \$0.07 AUD per share. Blueprint Life Science Group served as Corporate Advisor for the placement to the U.S. investor.

"The addition of this well-respected U.S. institutional life science investor to our registry, along with the tremendous support received from existing shareholders throughout the 2009 Rights Issue, speaks to the potential of Avexa's programs and, in particular, the near-term apricitabine, or ATC opportunity," said Dr. Julian Chick, Chief Executive Officer of Avexa. "In June, we expect to announce the result of the DSMB analysis of the 16 week Phase III data, and with our improved balance sheet we can maintain the development timelines for the Company's programs while continuing to explore the best options for ATC's path to commercialisation."

About Avexa

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, its HCV polymerase program and a program for antibiotic-resistant bacterial infections. The Company's lead program is apricitabine (ATC), an anti-HIV drug which has successfully completed the 48 week dosing of its Phase IIb trial and is currently in Phase III trials. The company recently released positive 96 week data from its Phase IIb trial extension and is expecting initial Phase III trial results in June 2009.

www.avexa.com.au

Attachment 1 : Section 708A Cleansing Notice

Attachment 2 : ASX Appendix 3B

For more information:

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Attachment 1.

Notice under section 708A(5)(e) of the Corporations Act 2001

The Company gives notice under section 708A(5)(e) of the *Corporations Act* 2001 (**Corporations Act**) that:

1. the Company issued 15,000,000 ordinary shares without disclosure to investors under Part 6D.2 of the Corporations Act;
2. as at the date of this notice, the Company has complied with:
 - (1) the provisions of Chapter 2M of the Corporations Act as they apply to the Company; and
 - (2) section 674 of the Corporations Act; and
3. as at the date of this notice, there is no excluded information (as that term is defined in section 708A(7) of the Corporations Act) that is required to be disclosed for the purposes of 708A(6)(e) of the Corporations Act.

Dated: 29 May 2009