

**A V E X A**

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Press Release

CSIRO INVESTS A\$2M IN AVEXA'S HCV PROGRAM

Melbourne, Australia, 14 July 2009: Avexa Limited (ASX: AVX) today announced that the Commonwealth Scientific and Industrial Research Organisation (**CSIRO**) will invest up to A\$2M into Avexa's hepatitis C virus (HCV) program through the CSIRO's Australian Growth Partnerships (**AGP**) program.

"HCV is a serious condition particularly for those patients who are chronically infected. As one of the largest and most diverse scientific research organisations in the world, we are excited to work with the CSIRO to better understand this terrible disease," said Dr Julian Chick, Chief Executive Officer of Avexa.

The agreement will enable Avexa and the CSIRO to combine skill sets and abilities to discover new medicines for Hepatitis C. Hepatitis C is an infectious disease affecting over 180 million people globally and is a leading cause of chronic liver disease resulting in liver inflammation, cirrhosis and liver cancer. The disease is blood-borne and the virus spreads within its host by replicating its RNA and using this to make the components that form new viruses. The Avexa/CSIRO collaboration will initially focus on the identification of small molecule inhibitors targeting the NS5B RNA polymerase which is essential to this replication process.

Under the terms of the agreement, CSIRO could either share in the upside of the program if it is successful, or convert its \$2M investment into equity once the program is complete which is expected to be in two years. In some circumstances Avexa may elect, or be required, to repay the investment.

About the Commonwealth Scientific and Industrial Research Organisation and AGP

The Commonwealth Scientific and Industrial Research Organisation, CSIRO, is Australia's premier research organisation which provides scientific solutions to industry, governments and communities around the world. The CSIRO's role is to deliver great science and innovative solutions for industry, society and the environment. The organisation works on new ways to improve quality of life, as well as the economic and social performance of a number of industry sectors through research and development. Australian Growth Partnerships (AGP) is a competitive, merit-based pilot funding program managed by CSIRO. CSIRO has been allocated funds by the Commonwealth Government to provide funding to high potential, technology-receptive small and medium enterprises in order that they can access CSIRO research and development capability and intellectual property. For more information, visit www.csiro.au/AGP

About Hepatitis C Virus

Of the 180 million people globally that the World Health Organization estimates are infected with hepatitis C virus, or HCV, 100 million have a chronic infection. According to the Center for Disease Control approximately 3.2 million people in the United States are chronically infected. Studies on progression of disease in chronically infected people indicate that 70% of these chronically infected patients develop some form of chronic liver disease, including, in some cases, cirrhosis or liver cancer. The HCV market is forecast to grow to \$4.4 billion in 2010 and \$8.8 billion in 2015.

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About Avexa

Avexa Limited is a Melbourne-based biotechnology company with a focus on research and development of small molecules for the treatment of infectious diseases. Avexa has dedicated resources and funding for key projects including apricitabine (ATC), its HIV integrase program, its HCV polymerase program and an antibiotic program for antibiotic-resistant bacterial infections. The Company's lead program, ATC, is an anti-HIV drug that has successfully completed the 16 week dose determination step of its worldwide Phase III trial.

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