



Press Release

AVEXA ANNOUNCES RIGHTS ISSUE

Melbourne, Australia, 25 March 2009: Avexa Limited's ("Avexa") (ASX: AVX) Board of Directors today announced that the Company will be undertaking a renounceable Rights Issue. The Rights Issue will provide eligible shareholders of the Company with an opportunity to apply for new, fully paid ordinary Avexa shares with no brokerage costs and at a discount to the Company's share price for the last 5 days of trading up to and including Tuesday, 24 March 2009. Eligible shareholders will receive an entitlement to apply for one (1) new share for every two (2) shares held at the Record Date of 7.00pm AEST on 3 April 2009.

The Avexa Board believes that the Company is entering a very exciting phase of growth initiated by its lead program, apricitabine (**ATC**). The recently reported encouraging 96 week data from the Phase IIb trial and expected 16 week Phase III data due in the second quarter of 2009 are significant accomplishments as ATC advances towards its final stages of development.

Eligible shareholders under the Rights Issue will be offered the opportunity to apply for new shares at a discount to the Company's ASX weighted average market price for the five (5) days prior to this announcement. The price for the shares under the Rights Issue is A\$0.07 per fully paid ordinary share.

The proceeds raised from the Rights Issue will be used for the following purposes:

- to strengthen the Company's Balance Sheet through the provision of additional working capital;
- to relieve the market perception of the capital risk within Avexa;
- to continue to develop ATC past the week 16 Phase III endpoint due in the second quarter of 2009;
- to provide additional leverage in our partnering discussions; and
- to progress the wider Avexa portfolio of projects to value creating milestones.

Due to the complications associated with extending the offer to overseas jurisdictions, the offer to participate in the Rights Issue will only be made to Australian and New Zealand shareholders who are registered as holders of fully paid ordinary shares in Avexa as of the Record Date of 7:00 pm AEST on Friday, 3 April 2009. Avexa may extend the offer to shareholders with registered addresses outside of Australia or New Zealand, subject to compliance with securities laws in those jurisdictions.

The offer is renounceable and will close at 5.00 pm AEST on Monday, 27 April 2009, unless closed earlier by the Company at its sole discretion under the terms and conditions of the Rights Issue. Avexa anticipates that shares applied for under the Rights Issue will be allotted and issued by close of business on Friday, 1 May 2009. The maximum number of new shares that can be issued under the Rights Issue is 212,337,507 and the Rights Issue will not be underwritten.

An Offer Document and formal Entitlement and Acceptance Form will be mailed to all eligible shareholders on or around Monday, 6 April 2009.

In accordance with ASX Listing Rule 3.10.3, Avexa provides the following information regarding the Rights Issue:



Class of securities to be issued	Ordinary shares
Number of securities issued or to be issued	Maximum of 212,337,507 fully paid ordinary shares. The maximum number of shares to be issued could increase by up to 10,695,000 in the event that all of the option holders of Avexa exercise their right to convert their options into ordinary shares prior to 7.00pm AEST on 3 April 2009.
Principal terms of the securities to be issued	Fully paid ordinary shares issued on the basis of one (1) new share for every two (2) fully paid ordinary shares held at 7.00pm AEST on 3 April 2009.
Issue price	\$0.07 per new share
Purpose of the issue	To meet working capital requirements to further develop apricitabine and early stage portfolio programmes
Shareholder approval	Not applicable
Issue be offered to the following class of securities holders	Ordinary shareholders

About Avexa

Avexa Limited is a Melbourne-based biotechnology company with a focus on discovery, development and commercialisation of small molecules for the treatment of infectious diseases. Avexa has dedicated resources and funding for key projects including apricitabine (**ATC**), its HIV integrase and HCV programs, 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 96 week dosing of its Phase IIb trial and is currently in Phase III trials worldwide.

www.avexa.com.au

For more information:

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