



Market Release

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\$1.38 million Climate Ready Grant to expand insect resistance program

Melbourne, Australia, 9 July, 2009: Hexima Limited (HXL) announced today that it has been awarded a competitive grant from the Federal Government's Climate Ready Program. The \$1.38 million grant, payable over three years, will be applied to accelerating development of Hexima's insect resistance technology.

The economic value to farmers from existing GM insect resistance traits is estimated to be in excess of \$5 billion per year (ISAAA). Hexima is developing a unique, insect resistance crop technology, initially in cotton for both Australian and international markets. Crops with Hexima's technology should have a reduced requirement for chemical insecticides and fossil fuels. Hexima's technology may also facilitate the production of cotton in different geographic regions in the face of a changing climate. Other globally important, insect susceptible crops that may benefit from Hexima's technology include corn, canola and sugarcane.

Hexima CEO Josh Hofheimer spoke about the grant and the broader impact of recent government support on the Company, "Recent changes to industry support in the form of R&D tax credits, increased EMDG grants, together with this grant, enable Hexima to better leverage its shareholders' funds. We are building value for our shareholders through the further development of our insect resistance technology and intellectual property portfolio."

"The multinational ag companies have an appetite for new and innovative technology. We have already established a path to market for our disease resistance technology with DuPont and we are seeking to commercialise our insect resistance technology in partnership with one or more of the major GM seed companies."

The Company estimates that changes to the R&D tax regime and additional funding under the Export Market Development Grant (EMDG) scheme will be worth in excess of \$2 million p.a., when fully implemented.

The Company's technology is based on the modification of crops to produce natural plant proteinase inhibitors (PIs) that protect the plant from insect damage. The Company is exploring combinations of its existing proprietary PIs, newly identified proteins and Bts (insecticidal toxins from bacteria currently used in commercial GM cotton varieties), to provide an innovative approach to the control of insect pests. The Company aims to reduce the risk of insects developing resistance to existing Bt varieties, and to control a wider range of insect species.

GM crops have reduced greenhouse gas emissions

“The Climate Ready grant recognises the positive impact Hexima’s crop technologies can have on mitigating the impact of greenhouse gasses on the environment and adapting agriculture to a changing climate,” Mr Hofheimer said.

GM insect resistant cotton, which accounts for approximately 90% of the Australian cotton crop, has had a positive environmental impact in Australia since its introduction more than 10 years ago. During this period pesticide use on Australian cotton has dropped by 82% (ABARE).

Globally, the use of GM technology in crop production is estimated to have generated direct savings of approximately 1.1 billion kilograms of carbon dioxide in 2007, which is equivalent to the removal of 0.5 million cars from the road annually (ISAAA).

For more information, please contact:

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About Hexima

Hexima Limited (ASX Code: HXL) is an agribusiness company developing innovative gene technologies to help farmers enhance the productivity of arable land by improving yields and reducing the use of chemicals. Hexima’s core technologies aim to strengthen commercial crops by enhancing their resistance to insect pests and fungal disease. Hexima partners with multinational seed companies to establish commercial markets for its technologies.

Visit www.hexima.com.au for more information.