

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

Probiomics Limited ("Probiomics")

ABN

97 084 464 193

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

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|---|---|---|
| 1 | +Class of +securities issued or to be issued | <ul style="list-style-type: none">• Ordinary shares (Probiomics Shares)• Options to acquire ordinary shares (Replacement Probiomics Options) |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | <ul style="list-style-type: none">• Maximum number of Probiomics Shares: 2,656,928,206• Maximum number of Replacement Probiomics Options: 150,329,079 |

+ See chapter 19 for defined terms.

3 Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)

<ul style="list-style-type: none"> Fully paid Probiomics Shares Replacement Probiomics Options: 		
Expiry date	No. of Replacement Probiomics Options	Exercise Price
30/9/2012	4,730,400	\$0.035
21/12/2012	8,100,000	\$0.039
31/3/2013	17,258,679	\$0.035
31/3/2013	45,000,000	\$0.035
1/9/2013	21,240,000	\$0.012
14/5/2014	54,000,000	\$0.035

4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?

If the additional securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

<ul style="list-style-type: none"> All Probiomics Shares will rank pari passu with existing ordinary shares in Probiomics. Replacement Probiomics Options will not rank equally with any existing class of securities and will not entitle the holders to participate in any dividends.

5 Issue price or consideration

- Probiomics Shares will be issued in consideration for the transfer of securities in Hunter Immunology Limited (ABN 92 106 556 094) (**Hunter**) to Probiomics on the following basis:
 - (a) 9 Probiomics Shares for each one ordinary share in Hunter;
 - (b) 9 Probiomics Shares for each one Tranche 1 Note Interest, being an interest in a convertible note issued by Hunter, which is determined by dividing the face value of a Tranche 1 Note, being \$0.20, by \$0.099; and
- Replacement Probiomics Options will be issued in consideration for the transfer of options to acquire ordinary shares in Hunter (**Hunter Options**) to Probiomics on the basis of 9 Replacement Probiomics Options for each one Hunter Option and otherwise on the same commercial terms of issue.

6 Purpose of the issue
(If issued as consideration for the acquisition of assets, clearly identify those assets)

Consideration for the acquisition of securities in Hunter Immunology Limited ABN 92 106 556 094 (**Hunter**) pursuant to the off-market takeover offers by Probiomics in accordance with the Bidder's Statement dated 13 December 2011.

7 Dates of entering ⁺securities into uncertificated holdings or despatch of certificates

To be advised.

+ See chapter 19 for defined terms.

	Number	+Class
8 Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)	3,351,163,284 (including a maximum of 400,000,000 Public Offer Shares for which an Appendix 3B was lodged on 14 December 2011 but are yet to be issued or quoted)	Ordinary shares
	133,333,334 (these options were the subject of an Appendix 3B lodged on 14 December 2011 but are yet to be issued or quoted)	Public Offer Options

	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	33,333,333	Fully paid ordinary shares subject to potential ASX imposed restriction
	15,000,000	PCCAI Options expiring on 25 November 2013
	2,000,000	PPCAK Options expiring 3 December 2013
	2,500,000	Options expiring 24 May 2014
	150,329,079	Replacement Probiomic Options

10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	As determined by the Directors from time to time in accordance with the Company's Constitution.
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Part 2 - Bonus issue or pro rata issue

11 Is security holder approval required?	
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12	Is the issue renounceable or non-renounceable?	
13	Ratio in which the +securities will be offered	
14	+Class of +securities to which the offer relates	
15	+Record date to determine entitlements	
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	
17	Policy for deciding entitlements in relation to fractions	
18	Names of countries in which the entity has +security holders who will not be sent new issue documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	
19	Closing date for receipt of acceptances or renunciations	
20	Names of any underwriters	
21	Amount of any underwriting fee or commission	
22	Names of any brokers to the issue	
23	Fee or commission payable to the broker to the issue	
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	

+ See chapter 19 for defined terms.

- 25 If the issue is contingent on +security holders' approval, the date of the meeting
- 26 Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled
- 27 If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders
- 28 Date rights trading will begin (if applicable)
- 29 Date rights trading will end (if applicable)
- 30 How do +security holders sell their entitlements *in full* through a broker?
- 31 How do +security holders sell *part* of their entitlements through a broker and accept for the balance?
- 32 How do +security holders dispose of their entitlements (except by sale through a broker)?
- 33 +Despatch date

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of securities
(tick one)
- (a) Securities described in Part 1
- (b) All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

- 38 Number of securities for which +quotation is sought
- 39 Class of +securities for which quotation is sought

+ See chapter 19 for defined terms.

40 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?

If the additional securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

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41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another security, clearly identify that other security)

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42 Number and +class of all +securities quoted on ASX (including the securities in clause 38)

Number	+Class

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.

- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:
(Company secretary)

Date: 20 December 2011

Print name: Ashok Jairath

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