

**A V E X A**

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Company announcement

North Pratt Coal mine secures first contract to sell 100,000 tons of coal

Melbourne, Australia, Monday 15th December 2014: Australian biotechnology company Avexa Limited [ASX:AVX] today announced that Coal Holdings USA LLC (CHUSA) had secured its first sales contract for metallurgical coal produced from the North Pratt coal mine. While the terms of the contract are commercially confidential to CHUSA, Avexa can, however, say that generally, the agreement covers the sale of 100,000 tons for the calendar year 2015 at a fixed price Ex North Pratt Mine on a FOB basis and with 7 day payment terms. The 100,000 tons represents approximately 15% of the expected annual production of the mine.

Avexa has a 30% stake in CHUSA and made this investment in order to fund the development of its portfolio of drug assets. In particular, revenues from the mine will be applied to the development of apricitabine (ATC).

ATC is a new drug for the treatment of Human Immunodeficiency virus (HIV). It is active against resistant strains of HIV, where other currently available drugs are no longer active. ATC is in late stage development, and requires the completion of a single, small trial (AVX-305), preparations for which are underway.

"This is a significant milestone for Avexa and ATC. The expected revenues from this investment will soon be available to finance the initiation of the long-awaited final Phase III trial" said Mr Iain Kirkwood, Avexa's Chairman. "We look forward to getting to the end of this phase of the coal mine investment and using the generated funds to accelerate the final development of ATC. We firmly believe ATC has much to offer the growing number of patients who have become resistant to current HIV drugs"

As previously announced, an Early Access scheme to make ATC available for patients in need is underway with Avexa's partner LINK Healthcare.

About Avexa Limited

Avexa Limited is a Melbourne-based biotechnology company with a focus on discovery, development and commercialization of small molecules for the treatment of infectious diseases. Avexa's key projects include apricitabine (ATC) for the treatment of drug resistant HIV, an HIV integrase program and an antibiotic program for antibiotic-resistant bacterial infections.

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