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09 December 2013

Shareholder Update - Delisting and New Issuer Sponsored Holding Statements

Dear Shareholder,

The Directors of BioDiem Ltd ("BDM") wish to advise you that the Company has now successfully delisted from the Australian Securities Exchange (ASX) effective 15 November 2013. As a shareholder, this means that you now hold shares/options in an *unlisted public company* rather than an *ASX-listed public company*.

New Holding Statements

As part of the de-listing process you will receive correspondence from the share registry with your new holding statements. These new *Issuer Sponsored* Holding Statements replace the *CHESS* holding statements which were in effect at the time of the delisting on 15 November 2013.

We urge all shareholders to keep their new Issuer Sponsored Holding Statements in a secure place.

These statements contain a shareholder reference number that is required to trade your BioDiem securities.

If you do not receive your new Issuer Sponsored Holding Statement within 2 weeks of the date of this letter, we recommend that you contact the Company's share registry to arrange a copy to be mailed to you.

Staying informed about BioDiem

The Company has previously announced the reasons for de-listing the company. These were outlined in the 6 Sep 2013 Notice of Meeting and Explanatory Memorandum to the 2013 AGM. Shareholders approved the resolution to de-list at the AGM held on 8 October 2013. Our vaccine and antimicrobial programs are continuing and we will keep shareholders informed of progress through announcements made on our website and through direct emailing. Please ensure we have your preferred email address should you wish to have the announcements made to you directly and electronically. To update your details, contact Rachel Kiely at rkiely@biodiem.com.

Trading BioDiem Shares:

To provide shareholders with an opportunity to buy and sell BDM ordinary shares and BDM December 2014 options, we have arranged with DFS Equities to provide a comprehensive secondary market administration service to shareholders and other interested parties wishing to invest in BDM. The Company will not be involved in identifying buyers or sellers or providing a market.

DFS Equities is a Sydney based financial services company which has extensive experience in all aspects of transaction administration in unlisted securities. The company has been providing financial administration assistance and advice to retail and institutional clients since 2000. Specifically, DFS Equities will take enquiries from BDM shareholders and other parties who wish to buy or sell BDM securities. A Register of Interest will be maintained which will record buying and selling expressions of interest. Once agreement has been reached between interested parties, DFS Equities will arrange settlement of the transactions and execute all necessary documentation with the company's Share Registry. Privacy for BioDiem shareholders will be strictly maintained.

If shareholders have any enquiries in relation to buying, selling, or investing in the Company or require information on any recent changes in the Register of interest please contact DFS Equities:

Secondary Market Services

DFS Equities

Contact: Jim Purnell

Telephone: +61 2 9844 5458 (this is a dedicated line for BioDiem enquiries)

Facsimile: +61 2 9844 5445

Email: jpurnell@dfsequities.com.au

Address

Suite 1A, Level 2

802 Pacific Highway

Gordon, NSW 2072

If shareholders have any enquiries regarding their current share or option holding, please contact the Company's share registry below:

Share Registry

Computershare Investor Services Pty Ltd

Telephone: + 61 3 9415 4000

Investor Queries (within Australia): 1300 850 505

Facsimile: +61 3 9473 2500

Website: www.computershare.com.au

Address

Yarra Falls, 452 Johnston Street

Abbotsford

Victoria 3067

On behalf of the Directors, board and management of BioDiem Ltd, I would like to thank shareholders for their continued support. We look forward to delivering more significant progress during the coming year.

Yours faithfully

Julie Phillips

Chief Executive Officer

BioDiem Ltd

Phone +61 3 9692 7240

Email jphillips@biodiem.com