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ASX ANNOUNCEMENT

Chinese vaccine partner pays annual license fee

Melbourne, 12 February 2013: Australian infectious disease therapy and vaccine development company BioDiem Ltd (ASX: BDM) today announced that it has received an early annual maintenance payment from its Chinese partner, Changchun BCHT Biotechnology Co (BCHT), for license of the Company's Live Attenuated Influenza Virus (LAIV) vaccine technology.

In February 2012, BioDiem outlicensed its proprietary LAIV vaccine technology to BCHT in the form of an exclusive licence targeting the Chinese private sector market for pandemic and seasonal influenza vaccines made using an egg-based production method.

Under the current licensing agreement, BioDiem receives annual payments of USD\$100,000 until launch of the product. The payment was received this week.

BCHT holds a complementary licence to the LAIV for the public market in China via a sub-licence from the World Health Organisation. In this first quarter of this year, BCHT is planning to lodge an application with the Chinese FDA for approval to conduct human clinical trials for LAIV flu vaccines. This is another encouraging step towards supplying to the large private market of China.

BCHT is currently constructing a substantial new production facility at the Changchun National High-Tech Industrial Development Zone in China, made up of two buildings – one intended for the manufacture of BCHT's proprietary rabies vaccine and another for the manufacture of influenza vaccines using BioDiem's LAIV technology.

"We are pleased to receive the first payment of annual maintenance fees from our Chinese partner, Changchun BCHT Biotechnology, which is a stream of revenue that we expect to increase as the influenza vaccines manufactured with BioDiem's LAIV technology are launched," said BioDiem Chief Executive Officer Julie Phillips.

"Further to that, we are delighted with our partner's confidence in BioDiem's LAIV technology, demonstrated through the company's development of a new vaccine manufacturing facility with a whole building suited for production of LAIV vaccines."

BCHT is a well-established technology company engaged in medical research and development, marketing and production, based in Jilin Province's High Tech Zone. Established in 2004, the company now employs more than 600 employees and has developed significant in-house expertise in viral technology development with particular successes in the areas of influenza and preventative HIV vaccines.

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About BioDiem Ltd

BioDiem (ASX: BDM) is an ASX-listed company based in Melbourne with an international focus on discovering, developing and commercialising world-class research and technology targeting infectious diseases and related cancers. BioDiem's core technologies include the Live Attenuated Influenza Virus (LAIV), the BDM-I antimicrobial compound and the SAVINE vaccine technology platform. BioDiem has also in-licensed vaccine technologies from Australian National University and the University of Canberra with initial target indications of dengue fever and hepatitis respectively.

About LAIV

The LAIV influenza vaccine is an intranasal vaccine to prevent infection from seasonal and pandemic influenza. The LAIV influenza vaccine can be produced using both egg-based and cell-based manufacturing methods. BioDiem's egg-based LAIV vaccine technology is licensed to the World Health Organization as part of the Global Pandemic Influenza Action Plan to Increase Vaccine Supply in developing countries. The cell-based LAIV vaccine technology has completed a Phase II clinical trial in Europe in seasonal influenza.

Under a licence from BioDiem, Serum Institute of India markets the influenza vaccine, Nasovac™ in India. A licence has also been issued by BioDiem to China-based Changchun BCHO Biotechnology Co. The LAIV vaccine was in-licensed from the Institute of Experimental Medicine in St Petersburg, Russia where it has been used for over a decade in many millions of people - children, adults and the elderly. The LAIV is administered by nasal spray and induces a rapid immune response in the mucosal lining of the nose and pharynx.

The LAIV is also being developed as a viral vector for making novel non-influenza vaccines for different diseases including cancers. Viruses have the ability to generate proteins prolifically and can be programmed to produce disease-specific proteins. As part of a vaccine, these proteins can help generate a beneficial immune response. Development work to advance this technology has been conducted in partnership with France-based developer VIVALIS and the Royal Melbourne Institute of Technology (RMIT).

BioDiem's research is ongoing in partnerships with internationally recognised laboratories and commercial groups.

For additional information, please visit www.biodiem.com

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