



Companies Announcements Office
Australian Stock Exchange Limited

3 April 2006

Avexa secures US institutional placement and announces rights issue in a \$14.4 million capital raising

Avexa Limited (**Avexa** or **Company**) today announced a fully underwritten 1:4 non-renounceable rights issue, and the successful completion of an institutional share placement at 24 cents per share. Combined, the rights issue and placement will raise approximately \$14.4m before expenses.

Placement

Avexa announced today the successful completion of an institutional share placement raising \$4,897,920. The placement comprises an issue of 20,408,000 fully paid ordinary shares (at a price of \$0.24 per new share) to institutional investors in the USA.

Chief Executive Officer, Dr Julian Chick, said "The addition of two significant overseas institutional investors to the Company's share register is a significant step forward for Avexa, and a further example of the Company's progress and its growing international presence."

Rights Issue

The rights issue is an offer of fully paid ordinary shares to existing shareholders as at the record date (12 April 2006), on the basis of 1 share for every 4 shares held.

Under the rights issue, Avexa will issue 39,530,102 new ordinary shares to raise \$9,487,224 before expenses.

Funds raised from the rights issue will be used to:

- accelerate the preparations for the Phase III trials for AVX754;
- initiate a long term extension study for the current Phase IIb trial for AVX754;



- fund a clinical pharmacology (cardiac) study; and
- fund a tipranavir co-dosing study.

The rights issue is fully underwritten by ABN AMRO Morgans Corporate Limited and Wilson HTM Corporate Finance Limited.

Avexa expects the rights issue to be conducted on the following timetable:

Ex Date – The date on which Avexa shares commence trading without the entitlement to participate in the rights issue.	6 April 2006
Record Date – The date for determining entitlements of Avexa shareholders to participate in rights issue (NB 7:00pm AEST)	12 April 2006
Prospectus sent to Shareholders – Anticipated despatch of Prospectus and Entitlement and Acceptance Forms	20 April 2006
Closing Date – The last day for receipt of applications (NB 5:00pm AEST)	5 May 2006
Despatch Date – Anticipated despatch of holding statements for shares issued pursuant to the rights issue (New Shares)	15 May 2006
First Trading Date – Trading of New Shares commences	16 May 2006

Avexa reserves the right to extend the closing date, subject to ASX Listing Rules, in which case the date of issue of the shares will alter accordingly.

A Prospectus for the rights issue has been lodged with ASIC and the ASX and is available on ASX and Avexa's website.

Chairman, Dr Hugh Niall, concluded that "Both this rights issue, and the placement are important steps in the development of the Company. Avexa continues to set its sights on dynamic and efficient growth, and I am delighted to announce these further steps as evidence of Avexa's continued strong progress."

Ms Robyn M Fry
Company Secretary
Avexa Limited