



HEXIMA

Investor Update

November 2009

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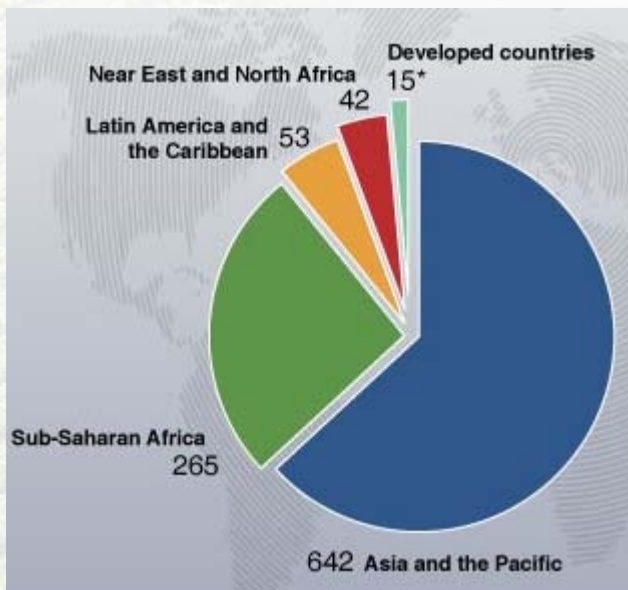
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Hunger impacts over one billion people globally in 2009

1) Introduction



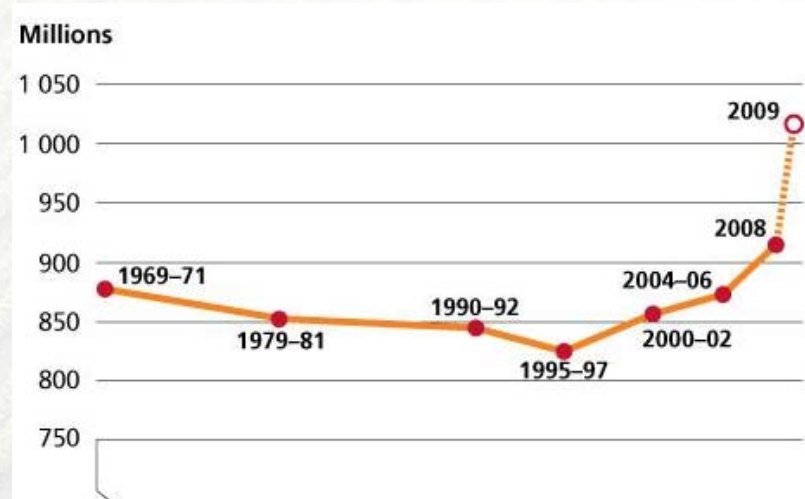
By region (millions)

Millennium Development Goals call for a reduction by half of the proportion of people suffering hunger between 1990 and 2015

Chronic Hunger or Undernourishment
= where food intake is less than the minimum energy requirement per day ~ 1800 kcal

Rising hunger is a global phenomenon affecting 1 in 7 people in all major regions

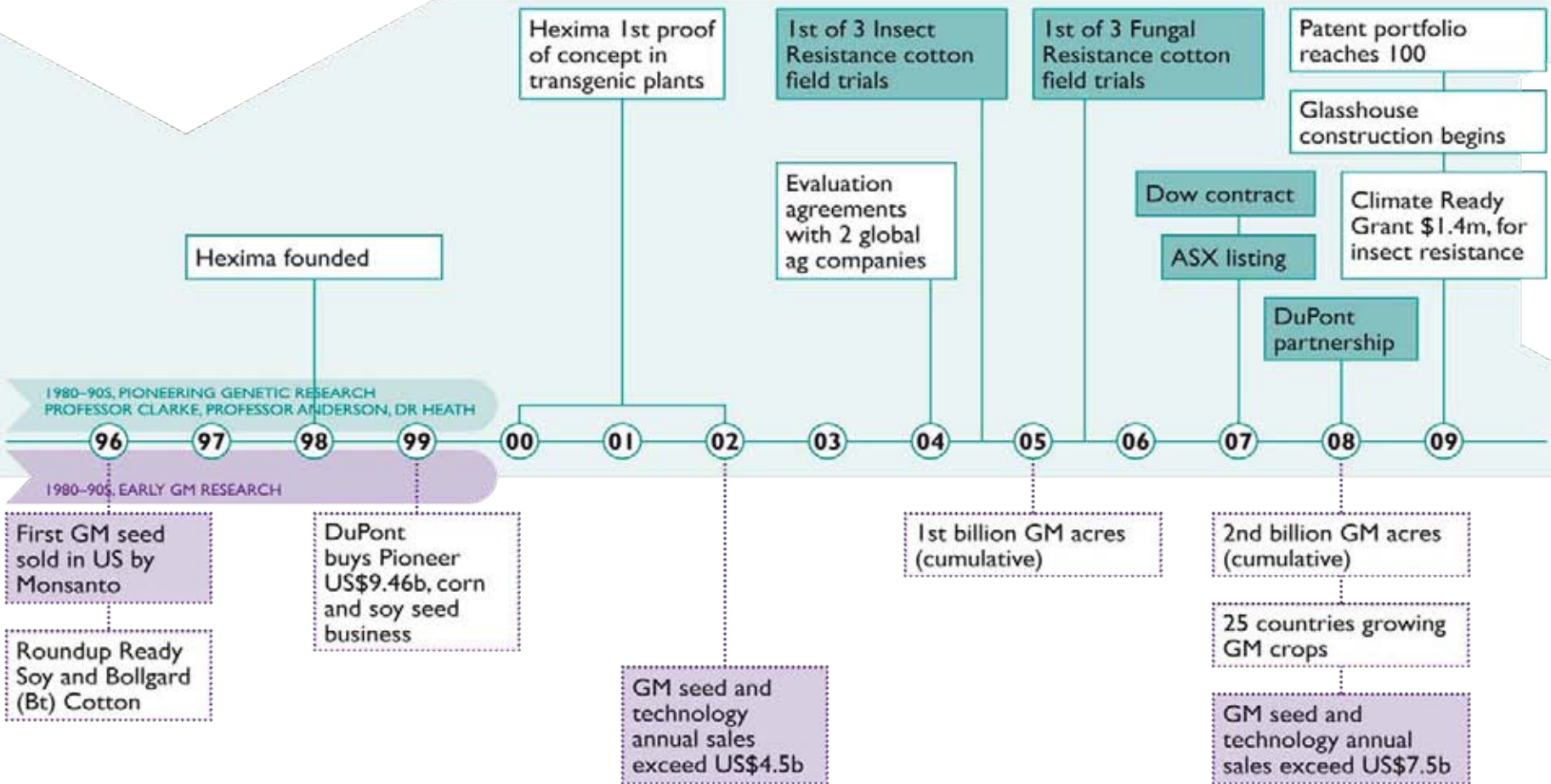
Number of undernourished since 1970



Source: FAO

Biotechnology: Genetically modified seed (GM) has transformed agriculture

HEXIMA



INDUSTRY

“Big 6” Agriculture Companies

Monsanto
DuPont / Pioneer
Dow AgroSciences

Bayer CropScience
Syngenta
BASF

Deals have been driven by seed market share and access to technology

1) Introduction

SEED MARKET SHARE

ACQUIRER	TARGET	YEAR	ASSETS	PRICE (A\$)
Monsanto	Delta & Pine Land	2006	Cotton seed	\$2.13b
Syngenta	Golden Harvest Seeds	2004	Corn/soy/other seed	\$257m
DuPont	Pioneer	1999	Corn/soy seed & technology	US\$9.46b
Dow	Mycogen	1998	Seed & technology	US\$550m

TECHNOLOGY

Bayer	Athenix	2009	Insect & herbicide traits	US\$400m
Makhteshim Agan	Cibus Global	2009	Trait developer	\$87m
Monsanto	CanaVialis / Aletleyx	2008	Sugarcane breeding & traits	\$429m
DevGen	IPO	2006	Biotech & molecular breeding	€250m
BASF	Crop Design	2006	Agronomic traits	\$168
DuPont	Verdia	2004	Molecular breeding & gene shuffling	\$93m

HXL market cap \$47m

Hexima is building a substantial portfolio of valuable technologies

1) Introduction

	Defensin Technology (Disease Resistance)	Multi-gene Expression Vehicle (MGEV)	Proteinase Inhibitor Technology -2 nd Gen (Insect Resistance)
Status	Stage II	Stage I	Stage I
Commercial Partner	DuPont/Pioneer	Non-exclusive research DuPont/Pioneer , others in discussions	In discussions, supported by Climate Ready government grant
Field tested	Cotton	Cotton	Cotton
Lab tested	Canola, Cotton	Cotton + Other	Cotton, Field pea + Other
Value proposition	Disease protection Yield improvement	Time & cost savings, Small protein expression, Stacking	Chemical displacement, Resistance management
Initial launch crops	Corn & Soy	Corn , Soy & Cotton	Cotton
Secondary crops	Canola, Sugar Beet, Wheat, Other	Multiple	Corn, Sugarcane, Other
Key markets	USA, Brazil, India, AUS, ARG, China	Multiple	India, USA, AUS, Brazil, China
Key market area	~300m Ha		~117m Ha

Effective value sharing model creates benefits for all participants

100%

Total Value Created by Trait

- Yield improvement
- Cost savings
- Chemical displacement
- Labour savings
- Insurance value
- Other measurable value

~40%

Technology Fee to Seed Provider

- Valuable recurring revenue stream
- Control of pricing and margins
- Strategic market position

~10%

Technology Provider Royalty

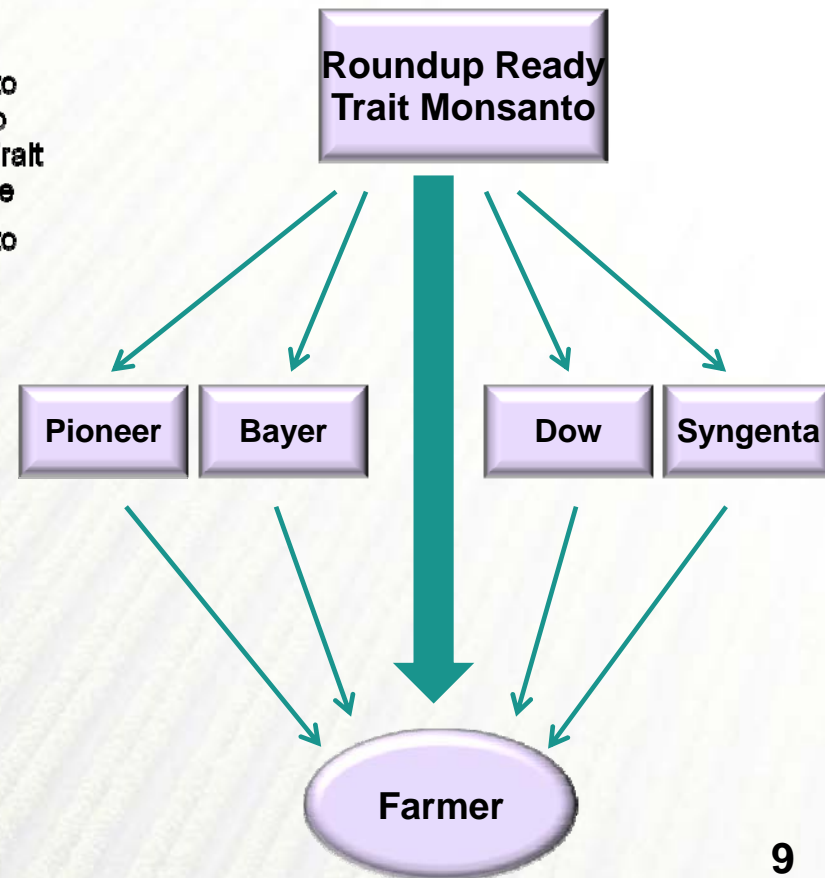
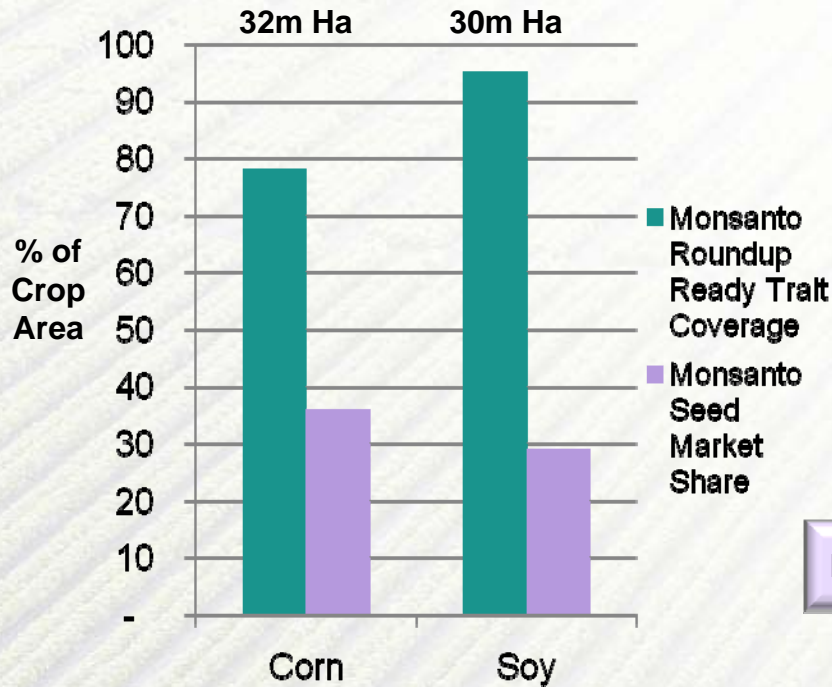
- Tech Provider royalty usually based on Tech Fees
- Royalty rates vary
- ~25%+ co-development
- ≤ 7.5% early out-licence

2) Market & Value Opportunity

Control of “must have” traits strengthens position in the US\$8.3b GM market

2) Market & Value Opportunity

2008 Roundup Ready Trait Penetration vs Monsanto Seed Market Share – USA



Source: Monsanto, ISAAA

Fungal disease trait could be worth up to US\$1b per year to the seed provider

2) Market & Value Opportunity

Crop and Disease Stats:

Corn (US)

Area	32m Ha
Av yield	380 bu / Ha
Price	US\$4 / Ha
Av disease loss	10-12% pa
High disease regions	25% area
Disease loss	18-20% pa
Value of loss	US\$5.7b pa



Worked Example: Potential Annual Value in US Corn

Trait Market Share	Annual Value to Participants (US\$) (*Percentage of disease controlled)	
	*50%	*70%

Total Trait Value (100%)

Trait Market Share	*50%	*70%
30%	820m	1120m
50%	1360m	1880m
70%	1900m	2600m

Seed Provider Value (40%)

Trait Market Share	*50%	*70%
30%	328m	448m
50%	544m	752m
70%	760m	1040m

Technology Provider Royalties (10%)

Trait Market Share	*50%	*70%
30%	82m	112m
50%	136m	188m
70%	190m	260m

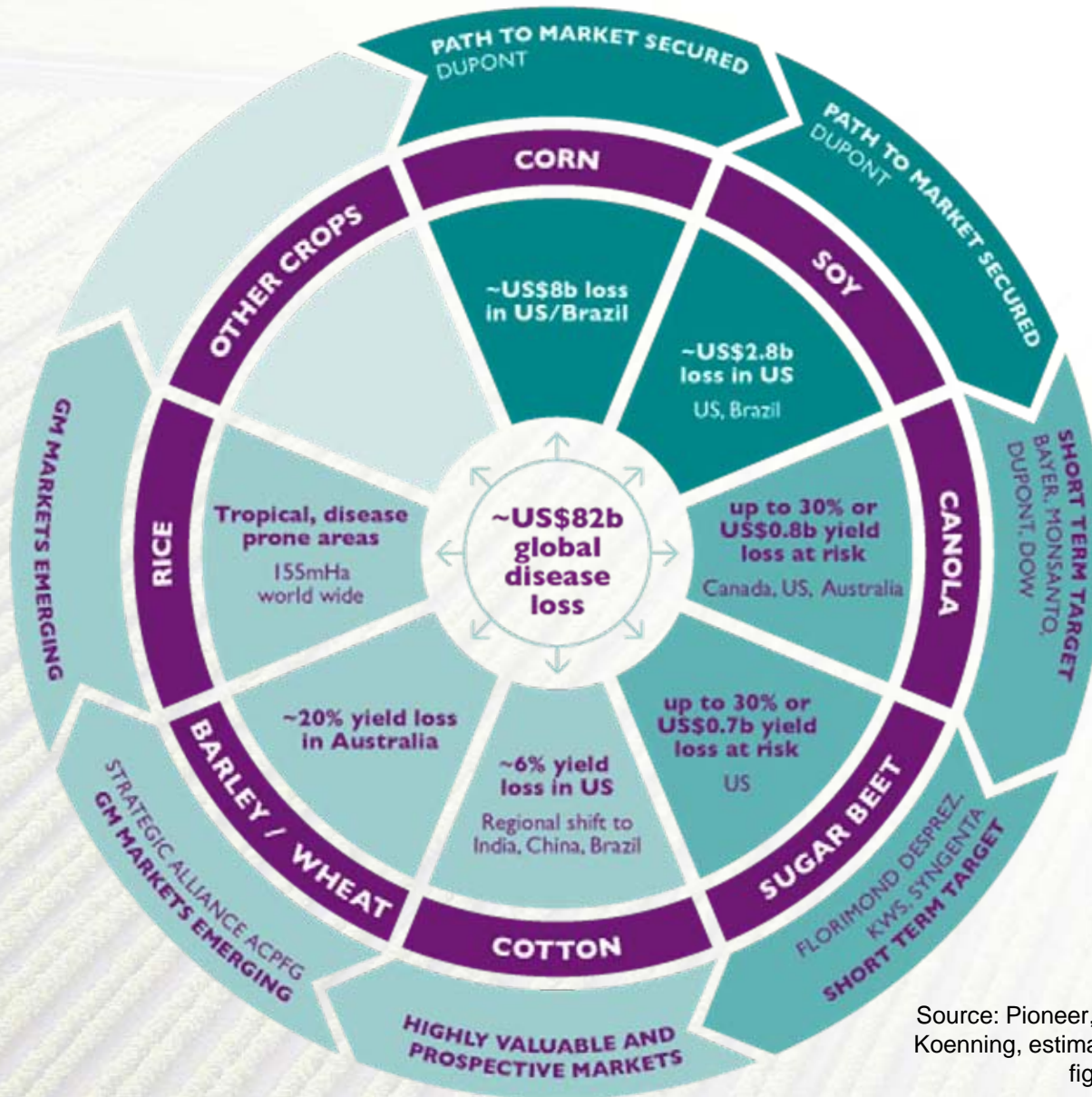
See Appendix for detailed worked example

Sources: Biotech Consulting, Pioneer, FAPRI, Wrather & Koenning, Wilson HTM Research, 2008 figures. All USD.

This worked example is not an actual Hexima trait. It applies the industry model and includes ranges for disease control and market share. See appendix for assumptions and risks and detailed worked example.

Disease control can create value and drive market share

2) Market & Value Opportunity



Source: Pioneer, FAPRI, Wrather & Koenning, estimates based on 2008 figures

Strong proof of concept: Three consecutive years of positive field trials

HXL's fungal resistant cotton trials against Fusarium Wilt

3) Execution



Yr 1

Yr 2

Yr 3

- ◆ T = Transgenic, C = Non-transgenic Control
- ◆ No adverse agronomic differences or yield penalty in absence of disease

Cotton Lint Yield* in Presence of Fusarium Wilt (Kg/Ha)

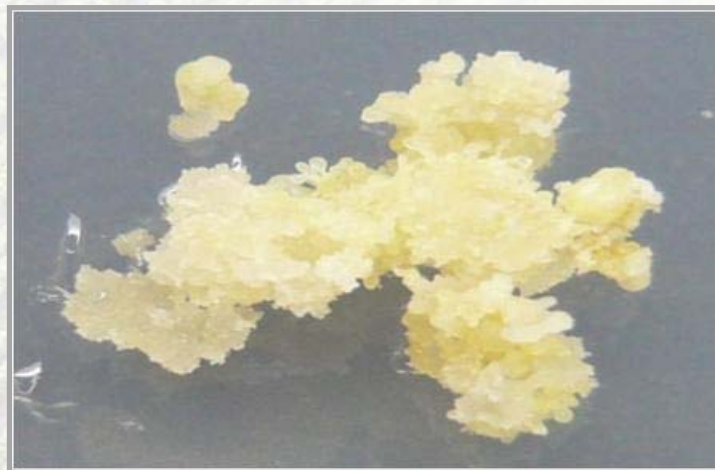
	Non-GM Control	HXL Anti-Fungal Trait	% Improvement
2006/07 (yr 1)	169	493	192%
2007/08 (yr 2)	62	233	276%
2008/09 (yr 3)	542	1264	133%

* Lint yield of surviving plants

DuPont collaboration: Year 1 achievements

3) Execution

- ◆ Raised Hexima's profile with scientific and commercial teams
- ◆ Identified anti-fungal protein candidates
- ◆ Established facility and initiated production of transgenic (GM) corn with candidate traits
- ◆ Close collaboration between DuPont and Hexima has led to an efficient and successful partnership
- ◆ DuPont have recognised Hexima's outstanding scientific progress at 1st year review: all technical milestones met



**Transgenic corn callous
on selection medium**

Next Steps in DuPont Corn Program

3) Execution

- ◆ Continue AFP screening for broad spectrum disease control
- ◆ Produce first transgenic corn plants
- ◆ Commissioning of new glasshouse and laboratory facility
- ◆ Commence glasshouse trials of transgenic corn



High throughput screening of AFPs using robotic platform

Corn transformation facility is fundamental to progress and will generate new opportunities

3) Execution



July 09

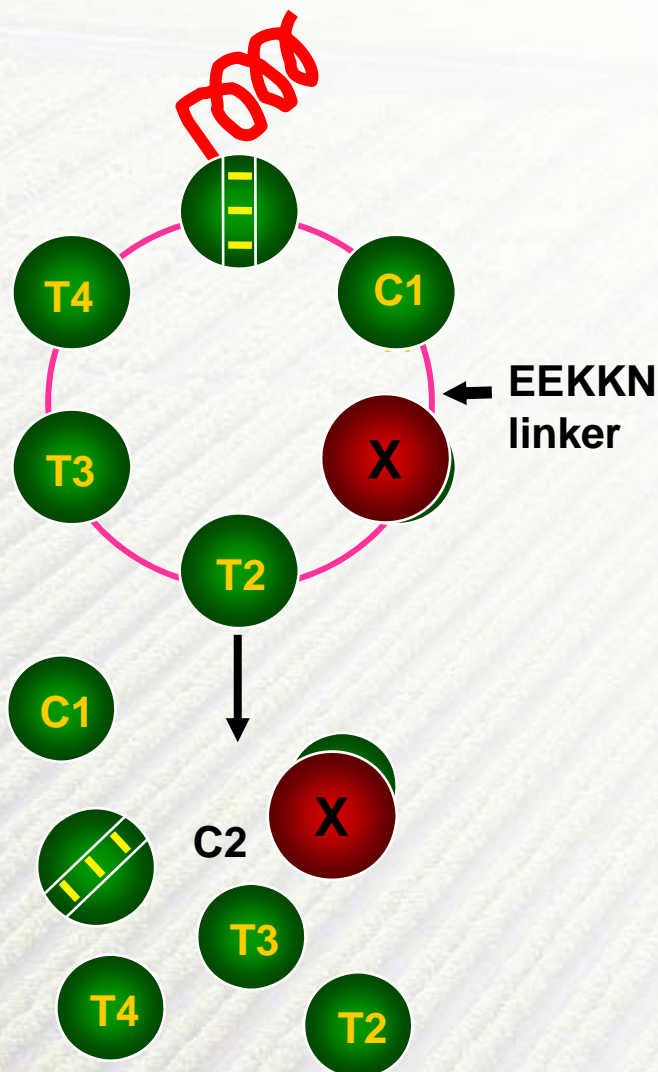
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- Expected completion Q1 2010
- World class facility
- Access to elite germplasm and enabling technology
- ~5x existing glasshouse capacity
- ~3x existing growth room and tissue culture
- Potential new alliances and partnerships

MGEV provides a competitive advantage across Hexima's platform

3) Execution



◆ Disease Program

- Single vehicle delivers multiple disease control proteins

◆ Other Applications

- Works in a range of crops (monocots and dicots)
- Non-exclusive research license with DuPont/Pioneer
- Pursuing other licensing opportunities with major players

Hexima's Proteinase Inhibitors have the potential to protect and extend market share of current Bt traits




3) Execution

- ◆ Sustainable insect protection requires a “stack” of insecticidal genes
- ◆ Stacking of PIs with Bts will broaden the spectrum of insecticidal activity and delay emergence of resistant insects
- ◆ Climate Ready Grant of \$1.4m will support continued development of the PIs and stacking with Bt genes
- ◆ Economic value created for farmers (2007)
 - Bt cotton ~ US\$3.3b
 - Bt corn ~ US\$2b
- ◆ Environmental benefits
 - Reduced CO₂ emissions by 1.1billion kg = 0.5m less cars
 - Reduced chemical insecticide use – down 82% Australian cotton


- ◆ Excellent progress with DuPont program, including:
 - Anti-fungal protein identification
 - Corn transformation
 - Glasshouse construction
- ◆ Third year of fungal resistant cotton field trials
- ◆ Execution of MGEV Research License
- ◆ Climate Ready Grant for insect resistant cotton
- ◆ Strategic alliance with Australian Centre for Plant Functional Genomics (ACPPFG) for wheat and barley
- ◆ Extending pharmaceuticals program

Next 12 Months and beyond





 Fungal resistant cotton field trial results

 Commence screening for lead AFPs


 Produce first transgenic corn plants

 Glasshouse complete

  Commence glasshouse trials – corn

  Finalise lead AFPs


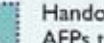
  Disease collaboration – other crops

 Climate Ready Grant – pest resistance

  MGEV licensing deals


 Stacking PIs with Bt

DuPont Activities

  Handover lead corn AFPs to DuPont

 DuPont US field trials – commence 2013

 Commercial transformation Deregulation Commercial launch – 2019

 = Value inflection point

 = DuPont – corn disease trait program progress

 = Other progress

We have the financial resources to reach key milestones

4) Timelines

CASH BALANCE

\$27.1 million at 30 September 09

DEBT

Zero

ANNUAL SPEND

\$7-8 million projected operating cashflow p.a.

Hexima's cash will now reach further

**CLIMATE READY
GOV T GRANT**

\$1.38m over three years

R&D TAX CREDITS

Worth over \$2m pa when implemented

**EXPORT MARKET
DEVELOPMENT
GRANT**

Up to \$200k pa

Summary

5) Conclusion

Hexima is an ag-biotech company delivering innovative technologies that address un-met needs.

Next generation “must have” traits can reshape the competitive landscape.

DuPont delivers commercial path in two largest crops corn & soy, and leverage to other crops & technologies.

Pharmaceuticals program has potential to diversify our technology base.

Achieving objectives over next 12-18 months will further validate science, expand commercial opportunities and build assets.

Appendix: Assumptions and Risks

This presentation includes “forward-looking statements” and worked examples. The Company has tried to identify such statements and examples by the use of such words as “could”, “potential”, “estimated”, “approximately”, “assumptions”, “may” and other similar expressions. Accordingly, you should not rely on these forward looking statements and worked examples as a prediction of actual future results and no assurance or guarantee can be given that the assumptions made in this presentation will actually occur.

Risks may include, but are not limited to:

- Valuation statements
- Commercial success
- Future commodity prices
- Future crop areas
- Royalty rates
- Scientific success
- Future financing requirements
- External competition
- Anti-GM restrictions
- Development delays
- Launch restrictions
- Patent invalidity
- Value capture
- Pricing pressures
- Disease losses
- Regulatory restrictions
- Crop failures

Worked Example: Potential Disease Control Trait US Corn

Corn Price	\$4 / bu
Av Yield	380 bu / Ha
Value /Ha	\$1,520 / Ha

Disease Loss	10 -12%
% Disease Controlled by Trait	50% - 70%
Trait Yield Gain	~5% - 8%
Trait Yield Gain	~21 - 29 bu / Ha
Trait Value	~\$84 - \$117 / Ha

Tech Provider Royalty 10%	\$8.40 - \$11.75 / Ha

US Market Size	32m Ha

Potential Peak Royalties	50%-70% disease loss controlled
30% market share	~\$82m - \$112m pa
50% market share	~\$136m - \$188m pa
70% market share	~\$190m - \$260m pa

Sources: Biotech Consulting, Pioneer, FAPRI, Wrather & Koenning, Wilson HTM Research, 2008 figures, All USD.

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