

**The Australian Stock Exchange Limited
Companies Announcements Office
SYDNEY**

2nd November 2011

TERMINATION OF AGREEMENT WITH NESTEC

Probiomics Limited ("Probiomics" ASX Code:PCC) and Nestec SA have mutually agreed to terminate the Development & Licence Agreement dated 20 August 2007 in order to allow both parties to focus on other research opportunities.

Patrick Ford, Chairman of PCC stated that " whilst this is disappointing,it now provides the Company with an opportunity to develop the Company's intellectual property in the significant market segment focused upon infant care."

The Company plans to pursue new alliances as part of the recently announced merger with Hunter Immunology.

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About Probiomics Limited

Probiomics has proprietary ownership of a unique probiotic strain – PCC®

PCC® has been clinically proved to have superior qualities – particularly in promoting systemic immune response.

Probiomics' commercial objective is to earn royalties from licensing PCC® to distribution companies selling products in global markets.

For further information, please go to www.probiomics.com.au