



ASX ANNOUNCEMENT

Imugene avian influenza vaccine update

Final trial report confirms bird flu vaccine efficacy. Product optimisation commenced.

14 March 2007, Sydney, Australia: Imugene Limited (IMU) has received the final trial report from Benchmark Biolabs confirming the positive preliminary results of its orally administered poultry avian influenza vaccine candidates.

As announced on January 29 2007, Imugene's lead broiler vaccine candidate achieved proof of concept in the trial. The broiler bird vaccine provided protection for two thirds of vaccinated birds against a very high dose of a highly pathogenic Asian strain of the H5N1 avian influenza virus. All control birds (not vaccinated) died.

The successful broiler vaccine candidate moved into the product development phase immediately after receiving the preliminary trial results. The protocol for the next dose and administration timing trial has been finalised. The trial will soon commence at Benchmark Biolabs' clinical trial facilities in Nebraska.

Imugene Managing Director Dr Warwick Lamb said, "the next trial is aimed at determining the earliest age we can achieve protection against the avian influenza virus. We will also test the vaccine as one single dose. Further, we will also test if it works when injected into the egg to get the earliest possible protection after hatching."

"For the first time protection for birds has been achieved with oral administration of a vaccine. This next dose optimisation trial will be at much lower challenge doses to more closely simulate field conditions."

The next stages in developing a commercial vaccine is being partially funded by a \$880,000 Australian Government Commercial Ready Grant. Work to develop a diagnostic test to allow differentiation of infected birds from vaccinated birds is also progressing under the Commercial Ready Grant.

The vaccine candidate for breeding and egg laying birds is undergoing further refinement in the laboratory. Although this second vaccine candidate provided some protection (approximately 20% of vaccinated birds survived whilst all non-vaccinated control birds died), the protection achieved was not sufficient to progress to product development without the further refinement.

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The advantages of Imugene's vaccines are effectiveness, low cost mass administration and speed of treatment. Existing methods of dealing with at-risk birds are mass extermination or people going into flocks administering individual injections.

Imugene's successful vaccine candidate is based on the Fowl Adenoviral Delivery Vector that delivers benign genetic material into a bird's bloodstream to boost the immune system to protect against the bird flu virus.

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About the Imugene Avian Influenza vaccines

Imugene is developing two vaccines – one for broiler (meat producing) birds and the other for breeding and egg layer birds. The two vaccine candidates differ as the commercial requirements for broilers and breeders or layers vary. The primary aim for a commercial bird flu vaccine for broilers is to provide immunity early in a bird's life but the protection need only be short term as broiler birds typically reach market weight by 42-49 days of age. Layer birds and birds used for breeding stock for the broiler market require longer lasting immunity. The vaccine designed for layers and breeders uses two antigens (rather than the single antigen used in the broiler vaccine) to elicit both antibody and cell mediated immunity.

The Imugene vaccine candidates have been thoroughly verified by a series of in-house and external tests.

Value of Imugene's vaccines

An effective vaccine could be used to protect the world's poultry industry from further avian influenza outbreaks and halt the spread towards Australia, Europe and the US. A viable vaccine to control outbreaks must be safe, effective and able to be quickly and easily administered on a large scale.

The Imugene vaccine candidates:

use technology that allows authorities to differentiate between infected and vaccinated birds, a vital consideration for the international poultry industry

deliver only a portion of the flu genetic material instead of the whole virus. This makes the Imugene vaccines safe by preventing mutations or recombination with human flu viruses

have been generated using the Imugene delivery system are very cost effective for mass administration to entire poultry sheds and do not require injection of each bird

are specific to the H5N1 strain of avian influenza, but can be easily and quickly adapted to protect against other strains of influenza

The advantages of the Imugene vaccine solve the limitations of existing vaccines and treatments.

About Imugene

Imugene specialises in commercialising animal health products for production animals including pigs and poultry.

Imugene owns the worldwide rights to the Fowl Adenoviral Vector Delivery System for poultry and the Porcine Adenoviral Vector Delivery System for pigs. Imugene has successfully licensed the first product based on the Fowl Adenoviral Vector Delivery System – the Poultry Productivity Enhancer.

Imugene's poultry and pig portfolio is targeting a worldwide US\$3 billion annual market with four lead vaccine products under development and a strong product pipeline. Consumer demands for disease free and residue free food will bolster Imugene's prospects.

Imugene's products safely prevent disease and reduce or eliminate antibiotics and harmful chemicals in animals. Animal antibiotics and chemicals in the human food chain have been linked to the emergence of dangerous resistant bacteria in people and food residues.

For more information please visit the Imugene Website www.imugene.com

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