



IMUGENE LIMITED

2007 ANNUAL GENERAL MEETING

CHAIRMAN'S ADDRESS

27 NOVEMBER 2007

Introduction

I am delighted to report to you that 2007 was a very successful year for Imugene. We met a number of key objectives both in the laboratory development of our pig and poultry vaccines and in our various animal trials conducted internationally.

Our two platform technologies continue to deliver additional products needed by the pig and poultry industries. The success of the poultry vaccines in ovo has prompted increased interest in our products as well as the addition of two new vaccines to our development program.

Successful Bird Flu vaccine

We were very pleased with the positive results of our development work in creating a viable H5N1 Avian Influenza vaccine for broiler chickens. Our trial work has proved that broilers can be effectively and efficiently vaccinated on mass to provide immunity to the highly contagious 'bird flu'. Additionally, these results provided further evidence of the versatility of Imugene's platform 'adenoviral vector' technology with efficacy via different methods of vaccine administration.

Work continues with the Avian Influenza project to provide an effective diagnostic test to complement the vaccines as well as extending the range of bird flu vaccines to include other prevalent forms of flu – the H7 & H9 varieties. We look forward to completing this work in the current year and then progressing to global licensing arrangements for the commercialisation of this suite of vaccines.

Productive year at the La Trobe Laboratory

I reported this time last year that our laboratory at la Trobe had become operational. A year on and Dr's Mike Sheppard and Sui Lay have undertaken a massive workload of vaccine construction, optimisation and testing projects.

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All these projects have delivered on all major objectives and have provided the vaccine candidates for our expanded product range.

With our poultry vaccines, the Lab finalised all construction and testing of the Coccidiosis prevention vaccine candidates. These have now being produced in sufficient quantity for the proof of concept animal trial that is to be undertaken by collaboration partner, Abic Biologic Laboratories Teva Ltd. We understand this trial should commence in early 2008 in Australia.

In addition to the Avian Influenza vaccine projects mentioned earlier, the Lab has begun constructing two other poultry vaccines targeting prevention of two damaging diseases that occur in broilers, layers and breeding birds. Vaccines to prevent Chicken Anemia and Infectious Bursal disease are now mid-way through the construction phase. Following completion of the construction phase and finalisation of lab testing, the candidates will begin animal trials during 2008.

Lab work on our pig vaccines included finalisation of the various PRRS constructs. The PRRS vaccine has two components. The first of these two components was chosen from three candidates based on the results of our recent US based trial. The second component is currently being modified to incorporate additional scientific information that was released recently. Once completed, the optimised second component will be thoroughly lab tested. We anticipate that this vaccine work will be in animal trials by mid 2008.

The Poultry Productivity Enhancer

One area of our activity during the year that didn't fully meet our expectations was the progress with the Poultry Productivity Enhancer (PPE). The commercialisation of this vaccine is under the control of our global licensee partner, Merial Limited - the animal health JV between the two large pharmaceutical companies – Merck and Sanofi Aventis.

Merial has been active in several areas with the PPE since becoming the global licensee. During 2007 a further milestone payment was received by Imugene reflecting progression of the products commercialisation. An area of Merial's focus is the optimisation of the vaccines production process to ensure mass production can be achieved efficiently.

We have jointly identified areas of the commercialisation process that Imugene may be able to assist Merial, in particular, with certain third party approvals.

We look forward to 2008 as a year in which the PPE makes important advancements in both the commercialisation activities under the control of Merial and gaining relevant regulatory approvals.

Corporate

We continue to be frugal with our finances and maintain focus on shareholder return. We are very appreciative of the Federal Governments Commercial Ready Grant that has assisted in funding the Avian Influenza vaccine development.

We appreciate that the share price weakness has created concern for shareholders as it has with the board. Difficult stock market conditions in the US, and the flow on effects to Australia, as well as the desire in Australia for more speculative investment dollars to pursue mining projects has taken some of the shine away from junior industrial and biotechnology companies such as Imugene.

Having said that, Imugene continues to focus and deliver on its business plan of developing required vaccines for the production animal industries. We remain confident of our course.

Conclusion

On behalf of the board I thank shareholders for their continued support of Imugene. We look forward to a successful 2008. To our management team and close advisors, I thank you for your hard work and successes achieved throughout the year.

Graham Dowland
Chairman

27 November 2007

END

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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IMUGENE

Animal Health Biological Products

Annual General Meeting Presentation

November 2007

Dr Warwick Lamb

Managing Director

IMUGENE

LIMITED



Overview

- **First poultry product licensed to Merial**
- **Product pipeline**
 - **four additional FAV vaccines under development**
 - **four PAV vaccines under development**
- **Emphasis shifting to regulatory process to increase licensing values**
- **Ongoing animal trials in US**

The top banner features a blue background. On the left, there is a blurred image of laboratory glassware, including beakers and test tubes. On the right, there is a blurred image of a chicken. The title text is centered in white with a slight drop shadow.

Year in Review Product Trial Program

- **Three successful Avian Influenza vaccine trials completed in US**
 - up to 100% efficacy
 - Oral and in ovo administration
- **PRRS trial successfully completed in US**
- **Product range expanded based on successful trials**
- **Regulatory efforts increased in the US**




Year in Review Laboratory Program - Poultry

- **Avian Influenza vaccine range expanded**
 - H5, H7 and H9
- **FAV-coccidiosis vaccine completed**
 - Validated in laboratory
 - Proceeding to trials beginning 2008
- **Two new FAV vaccines under development for in ovo administration**
 - Infectious Bursal Disease
 - Chicken Anaemia Virus

The background of the slide features a blue gradient. On the left, there is a blurred image of laboratory glassware, including several vials and bottles. On the right, there is a blurred image of a pig's head and neck.

Year in Review Laboratory Program - Pigs

- **PAV-Merial vaccine modified**
 - Ship to Merial for validation
 - Next step is animal trials
- **PAV-PRRS vaccine candidate modifications to incorporate scientific advances**
 - Animal trials 2008
- **Additional vaccine to enter lab development**



Avian influenza vaccines for poultry

- **Proof of concept trials in Jan 2007**
- **May 2007 trials - results of up to 100% efficacy in US trials**
- **Government grant of \$882,000**
- **Strong international interest**
- **Range of vaccines for H5, H7 and H9**
- **Matching diagnostic test**
- **Major licensing opportunity**



Poultry productivity enhancer

- Trial results show increased poultry growth up to 15% (antibiotics <4%)
- Licensed to Merial in Oct 2005
- Sign-up fees & milestone payment so far
- Progressing through product development for sale to the global markets
- Addressing commercial production and regulatory issues in the US

The slide features a blue header bar. On the left side of the bar, there is a faint image of laboratory glassware, including beakers and test tubes. On the right side, there is a faint image of a chicken. The title 'Competitive advantages' is centered in the blue bar in a white, bold, sans-serif font.

Competitive advantages

- Strong platform for product portfolio
- Easy to administer (feed, water or aerosol)
- Do not require injection or animal handling
- Suitable for in ovo injection (into the egg)
- Inexpensive to manufacture
- Safe
 - No cross species infection
 - Residue free in animal
 - No genetic modification of animal



Company progression

- Further expand poultry and pig product portfolio
 - Range of PAV & FAV based vaccines
 - Progress each vaccine candidate
- Vaccine candidate construction – Australia
- Clinical trials – US and Europe
- Progress important regulatory processes
- Expand international commercial alliances
- Flexible commercialisation strategy

The slide features a blue header with the word "Financials" in white. On the left, there is a blurred image of laboratory glassware, and on the right, a green-tinted image of a chicken. The main content is a list of financial points in black text with green bullet points.

Financials

- **Net cash outflow – \$150k/mth**
- **License partners to fund development costs of each product**
- **\$0.868m cash – September 07**
- **\$880k Government grant for bird flu – 2 years**
- **Financial returns from collaborations**
- **Contract payments due for completed laboratory work on vaccines**

Corporate

- **Directors & management**
 - Graham Dowland – Chairman
 - Warwick Lamb – CEO
 - Roger Steinepreis – Director
 - Mike Sheppard – Chief Scientific Officer

- **Shares on issue** **130.5 m**
(Board – 13%)

- **Options on issue**
 - Expiry 31 Dec 09 (25c) **4.35 m**



Key points

- Large global markets
- Efficacy proven in clinical trials
- Products with substantial commercial advantages
- Products at advanced stages
- Strengthened product portfolio
- Multiple commercialisation strategies
- Multinational pharmaceutical validation
- Secure patent position