



17 December 2007

Australian Securities Exchange
2 The Esplanade
PERTH WA 6000

Dear Sir,

Shareholder correspondence

The attached letter will be posted to shareholders today.

Yours sincerely,

**Alex Neuling
Company Secretary**

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Level 20, Allendale Square
77 St Georges Terrace
Perth WA 6000
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Dear Shareholder

Non-renounceable Rights Issue

Entitlement Forms & Offer Document

As you will be aware from our recent announcement and the letter sent to you earlier this month, the Company is undertaking a Rights Issue offer on the basis of 1 share for every 10 shares you held as at 11 December 2007. The Rights Issue shares are offered at 14 cents per share which is a 36% discount to the weekly weighted average price of Imugene shares over the preceding 12 months.

Your Offer Document and Entitlement Form was posted to you last week. If you wish to take up all or part of your entitlement to the new shares, the completed Entitlement Form together with your cheque in Australian dollars, crossed "Not Negotiable" and made payable to "Imugene Limited – Application Account" is required to be sent to the Company's share Registry, Computershare, by the Closing Date of 15 January 2007.

By Delivery

Computershare Investor Services Pty Ltd
Level 2, 45 St Georges Terrace
Perth WA 6000

By Post

Computershare Investor Services Pty Ltd
PO Box D182
Perth WA 6840

or ask your stockbroker or investment advisor to accept the offer on your behalf.

Application for Shortfall Shares

Following the announcement of the issue a number of shareholders have approached the Board to enquire about purchasing additional shares in the issue beyond their rights entitlement. If you wish to apply for shares in excess of your entitlement, please contact the Company's Underwriter, Southern Cross Equities Ltd, and register your interest. Please contact:

Mrs. Trudy Hoy
Southern Cross Equities Ltd
Phone: 02 9231 0880
Facsimile: 02 9231 05888

Level 32, Aurora Place
Phillip Street
Sydney NSW 2000

ENDS