

SHAREHOLDER UPDATE

APRIL 2009

Imugene Limited (ASX Code: IMU) specialises in the development and commercialisation of novel animal health products for pigs and poultry. Our range of products under development includes vaccines to prevent important livestock diseases and productivity enhancers to improve the economics of raising commercial livestock.

Our recently agreed exclusive Strategic Alliance with Merial Limited brings the strength of Merial's vast experience and infrastructure to the development of Imugene's innovative range of vaccine candidates.

January – March 2009 - Quarter Highlights:

- **Reported half yearly (31 December 2008) net profit of \$1.9m from revenue of \$3.1m**
- **Initiation of the technology transfer to alliance partner, Merial, occurred throughout the quarter**
- **Several vaccines have been sent to Merial laboratories in both the USA and France for use in animal trials and manufacturing development programs**
- **Merial have requested the construction of a new poultry vaccine candidate to add to the vaccine candidates under evaluation**

Overview

Since entering into the Strategic Alliance with Merial in late December, Imugene has been actively assisting Merial's development teams in Lyon, France and Atlanta and Athens, USA.

The primary focus of the alliance during the quarter has been the transfer of the necessary technology to allow the Merial teams to begin development programs on selected vaccines. A key component of this process has been the manufacture and shipment of sufficient quantity of several lead vaccines to Merial Laboratories in both the USA and France.

ABN 99 009 179 551

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www.imugene.com

Imugene's Melbourne laboratory at Latrobe university continues to support the product trial and development work undertaken by Merial in the US and Europe during this technology transfer period.

In addition, the laboratory has, at the request of Merial, begun construction work on a new vaccine for an avian disease target. The Imugene laboratory has proven to be an efficient developer of new pre-proof of concept vaccines for trialing. Accordingly, as Merial focuses on the development of the lead vaccines, Imugene can assist by quickly and successfully constructing new vaccine candidates for new disease targets for testing and, if successful in trials, development by Merial. It is planned for these new vaccines to become part of the product pipeline developed by Merial using the Imugene platform technologies.

Imugene's Commercial Strategy

Imugene's commercial strategy has been to develop and add value to its products as they progressed from proof of concept towards commercialisation and sales. In late 2008, Imugene reached an appropriate point in the development pathway to seek a partnership with a large international animal health company to take the lead in the development of the vaccine range. The recently agreed strategic alliance with Merial completes this next stage of Imugene's commercialisation strategy. Imugene's technology will now benefit from Merial's global regulatory, manufacturing, marketing and distribution experience and the vast resources available to Merial as the vaccines continue on the path to market.

Under the alliance, Merial has exclusive use of the Imugene vector technology to progress vaccine candidates through the product development process to global sales. Merial funds all product development and trial costs of the existing (and future) vaccine candidates within the Imugene portfolio. Additional vaccine candidates will be evaluated for proof of concept and if successful will also progress into the product development process, such as the recently introduced avian disease target requested by Merial.

Imugene's financial goal is to maximize income through license and royalty income, recouping research costs and contract laboratory work on our products and providing shareholders with dividend flows.

Imugene recorded a net profit after tax of \$1.9m from Revenue of \$3.1m for the six month period ended 31 December 2008.

About Merial

Merial is a world-leading, innovation-driven animal health company, providing a comprehensive range of products to enhance the health, well-being and performance of a wide range of animals. Merial employs more than 5,400 people and operates in more than 150 countries worldwide. Its 2007 sales were nearly \$2.5 billion. Merial Limited is a joint venture between Merck & Co., Inc. and sanofi-aventis. For more information, please see www.merial.com

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. Since establishing a laboratory at La-Trobe University, Victoria, additional vaccine technology has been developed for the pig & poultry industries.

The recently agreed Strategic Alliance with Merial Limited provides the strength of Merial's vast experience and infrastructure to the development of Imugene's innovative range of vaccine candidates. In return for exclusivity over the Imugene technology, Imugene will receive agreed annual payments, milestone fees and royalties. Further details of the Strategic Alliance can be reviewed on the Imugene website.

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

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

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Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001

Name of entity

IMUGENE LIMITED

ABN

99 009 179 551

Quarter ended ("current quarter")

31 March 2009

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) staff costs	(335)	(555)
(b) advertising and marketing	-	-
(c) research and development	(435)	(816)
(d) leased assets	-	-
(e) other working capital	(368)	(798)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	132	178
1.5 Interest and other costs of finance paid	-	(2)
1.6 Income taxes paid	-	-
1.7 Other:		
Government grants	-	239
Research cost reimbursement and Sub-licence fees	-	2,890
Other	-	41
Net operating cash flows	(1,006)	1,177

+ See chapter 19 for defined terms.

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

	Curent quarter \$A'000	Year to date (9 months) \$A'000
1.8 Net operating cash flows (carried forward)	(1,006)	1,177
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	-
1.10 Proceeds from disposal of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	-
1.11 Loans to other entities	-	-
1.12 Loans repaid by other entities	-	-
1.13 Other (provide details if material)	-	-
Net investing cash flows	-	-
1.14 Total operating and investing cash flows	(1,006)	1,177
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc. (Rights Issue applications received)	-	-
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	-	-
1.18 Repayment of borrowings	-	-
1.19 Dividends paid	-	-
1.20 Other (provide details if material)	-	-
Net financing cash flows	-	-
Net increase (decrease) in cash held	(1,006)	1,177
1.21 Cash at beginning of quarter/year to date	3,803	1,620
1.22 Exchange rate adjustments to item 1.20	-	-
1.23 Cash at end of quarter	2,797	2,797

+ See chapter 19 for defined terms.

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	(326)
1.25	Aggregate amount of loans to the parties included in item 1.11	Nil

1.26 Explanation necessary for an understanding of the transactions

(i)	Executive salaries, consulting fees and superannuation entitlements;
(ii)	Non-executive directors fees; and
(iii)	Rent

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

None

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

None

Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	Nil	N/A
3.2	Credit standby arrangements	Nil	N/A

+ See chapter 19 for defined terms.

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter \$A'000	Previous quarter \$A'000
4.1	Cash on hand and at bank	2,797	3,803
4.2	Deposits at call	-	-
4.3	Bank overdraft	-	-
4.4	Other	-	-
Total: cash at end of quarter (item 1.22)		2,797	3,803

Acquisitions and disposals of business entities

		Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1	Name of entity	N/A	N/A
5.2	Place of incorporation or registration	N/A	N/A
5.3	Consideration for acquisition or disposal	N/A	N/A
5.4	Total net assets	N/A	N/A
5.5	Nature of business	N/A	N/A

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does ~~does not~~ give a true and fair view of the matters disclosed.

Sign here:  Date: 30 April 2009
 (Director/Company Secretary)

Print name: Julie Foster

+ See chapter 19 for defined terms.