



ASX ANNOUNCEMENT

Update - Imugene – Merial Strategic Alliance

Imugene and Merial to renegotiate commercial agreement

11 January 2010, Sydney, Australia. Over the past month, Merial has undertaken a review of the first year evaluation of the Imugene vector technologies. Merial's preferred work plan for the 2010 phase was not easily achievable under the existing alliance agreement. Merial have advised that they wish to continue evaluating and developing the Imugene technology under a new agreement that is more flexible and better suited to the technology. In particular the short term evaluation commercial terms require amendment to better match the upcoming phases of evaluation and development activities.

The terms of the new agreement have yet to be finalised and the existing Strategic Alliance has been terminated.

Dr Warwick Lamb said "Whilst the terms of original Strategic Alliance Agreement represented a good deal for both parties at the end of 2008, as the Merial evaluation proceeded certain modifications have become necessary. The current proposed restructuring represents a willingness on the part of both parties to co-operate to better structure the terms and obligations for the development of our technology and vaccine products."

Imugene will provide further updates to the market when the negotiations are completed.

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.

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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