



ASX ANNOUNCEMENT

7 April 2010

INVESTOR UPDATE

- *Licensing discussions progressing with multiple parties to commercialise Imugene's pig and poultry vaccines*
- *Research and development programs with lead vaccines ongoing*

Imugene Limited (ASX: IMU) provides this update to investors reporting on the progress of its development program for its portfolio of pig and poultry vaccines.

Licensing discussions

Imugene is advancing commercial discussions with several international animal health groups to license its vector animal vaccine technology. In January 2010, Imugene announced the termination of its strategic alliance with Merial Limited opening up an opportunity to pursue a new commercial agreement for the development of its pig and poultry vaccines.

The Company's US-based agent Brakke Consulting has been acting on behalf of Imugene to accelerate and support the discussions and negotiations. Negotiations are at varying stages with due diligence in advance stages.

It is premature to name the parties, who are largely based in US and Europe, or to elaborate on any possible financial terms. However, Imugene has provided all interested parties with guidance regarding possible financial terms and timeframes to conclude the licensing negotiations.

"We have been very pleased with the number and quality of the groups, many of whom initiated contact with us following the termination of the Strategic Alliance," said Dr Warwick Lamb, CEO of Imugene.

"Vaccines and biologicals are recognised as growth areas with large potential in animal health. Imugene has an advanced product portfolio under development with vaccines that meet the needs of poultry and pig producers worldwide."

"It is vital that we execute the right agreement with the right partner. We are confident of finding a long term partner for our vector vaccine technologies."

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Imugene's business model is to maximise income from the receipt of research fees, license and royalty income from an alliance partner with sufficient expertise and infrastructure to develop, market and exploit the Imugene range of vector vaccines. Imugene expects license negotiations to conclude in the coming months.

Development programs advancing

In parallel with licensing discussions, Imugene is continuing the development program of its lead vaccines. In particular, the Porcine Reproductive and Respiratory Syndrome (PRRS) vaccine is progressing following taking the program back in-house after the termination of the Merial strategic alliance. The Imugene PRRS vaccine has been chosen as the Company's lead vaccine due to the impressive trial results and the increasing industry demand for an effective vaccine for this pig disease.

Imugene is undertaking final preparations for the commencement of a 60 pig trial expected to start in the US in the April quarter. The pigs will be tested against the US strain of PRRS and the results will contribute, amongst other important information, to determining the most applicable commercial production process.

About Imugene

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.

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

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