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3 August 2009

The Manager
The Company Announcement Office
Australian Stock Exchange
Sydney NSW

Dear Sir

ARC Linkage Grant with University of Melbourne for ongoing Influenza Program.

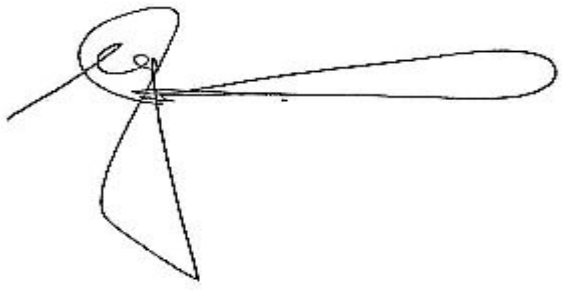
Immuron advises that the University of Melbourne has been granted an Australian Research Council (ARC) Linkage Grant of $326,500 to continue the ongoing joint research with Immuron into the treatment and prevention of Influenza.

We have attached a paper setting out the details of the results achieved to date on this project using a variant of the H1N1 influenza virus.

Those results can be summarized as follows:

- In a treatment role in animal studies, the technology has shown it can stop an established infection with a single nasal application.
- In a prevention role the animal studies, the technology has shown a single nasal application can prevent an influenza infection for a period of up to 7 days.
- Anticipate the commencement of parallel human trials prior to June 2010.
- The end goal of this program is to create a nasal spray or an oral application that will be sold as an over the counter product.

Yours faithfully



Graeme Stevens
Company Secretary

Melbourne; 3nd August, 2009:

Immuron Limited (ASX:IMC, OTCQX:IMROY) announces the ARC Linkage grant between University of Melbourne and Immuron for the ongoing research into influenza

After peer review of the pre-clinical data generated jointly by Immuron and Professor Lorena Brown's laboratory at University of Melbourne's Department of Microbiology and Immunology, the Australian Research Council has approved funding to assist in the next stage of this promising work.

The work of the team over the past 2 years has shown that the concept of using Immuron's antibodies and antibody fragments to treat and prevent influenza shows great promise to augment current vaccination and treatment strategies.

For the information of shareholders, the following summary of key parts of the proof-in-principle work in laboratory animal models is provided:

1) **Production of high efficacy anti-viral antibodies (IgG) in bovine colostrum can neutralise the infectivity of influenza virus.** Antibodies were raised in cattle then harvested from the cow's colostrum. These antibodies were against a laboratory strain of influenza virus known as PR8. The PR8 strain is a variant of the H1N1 serotype of human influenza and is used in a well-accepted laboratory mouse model for human influenza. This work showed that cattle could be induced to produce high titre antibodies in kilogram amounts that effectively neutralised the virus. This means that immunised cattle have the potential to yield many thousands of doses of anti-influenza antibodies in the future.
2) **Bovine IgG preparations reduce the concentration of influenza virus in the upper and lower respiratory tract of mice.** Using a series of mouse models of upper respiratory tract and lower respiratory tract infections with influenza virus, the effectiveness of a single nasal treatment with Immuron's antibodies was investigated. The amount of influenza virus in the upper respiratory tract of the mice was measured to indicate the severity of disease. In most treatment groups there was a significant reduction in virus load as far as 5 days after the single treatment. With higher treatment doses, the amount of virus dropped below detectable levels both in the lungs (lower respiratory tract model) and in the nasal passages (upper respiratory tract model).
3) **IgG preparations can be used to treat influenza.** The PR8 influenza virus infects mice and causes significant clinical disease or death. This virus was used as a method to check if Immuron's antibodies are able to stop disease or prevent death. The mice were infected with virus and then treated with nasally-administered antibodies once the infection was established. These experiments showed that the antibodies protected from all clinical signs of infection, including death.
4) **IgG preparations can be used to prevent influenza.** This work used the PR8 mouse model again but this time the mice were given a protective dose of antibodies before they were infected some days later. This work showed that a single nasally-administered dose of Immuron's antibodies protected the mice from infection with virus for up to 7 days.

The Immuron / University of Melbourne Influenza Program over the next 12 months

The main areas of work planned for the next year will revolve around several animal models to gather data prior to human trials.

The issues to be addressed include:

- Improving cross-reactivity and application of Immuron's antibodies across a range of human influenza sub-types, including the current H1N1 09 (swine flu) strain.
- Developing routes of delivery, such as nasal sprays and lozenges containing antibodies.
- Refining the dose, formulation and the frequency of use for both treatment and prevention of influenza using Immuron's antibodies

Animal models, initially mice and ferrets, will be used in this work. The ferret model is used because this species can be naturally infected with human influenza strains with similar results. Around the world ferrets are used as a 'gold standard' animal model for human influenza.

Although not part of the funded project with University of Melbourne, the first pilot human trials are expected to be starting in parallel with this work within 12 months.

The importance of an influenza product to Immuron and its shareholders

The anti-influenza product is envisaged as being an over-the-counter adjunct to current influenza treatment and prevention strategies. For example, it is expected to augment the effectiveness of vaccination coverage, especially in the most susceptible members of our communities such as the young (who are not vaccinated in many countries) and the aged (where vaccine efficacy is typically less than 70%).

Anti-influenza drugs are currently prescription-only and resistance to these drugs is increasing. Antibody-based therapies, particularly with polyclonal antibodies, are not likely to cause drug resistance.

The market for influenza related products is large, greater than $2 billion world-wide, and is expanding rapidly.

The full results of the work summarised above will be published in the peer reviewed literature by Professor Brown and her team. A further briefing about the program between Immuron and University of Melbourne has been published on the Faculty of Medicine, Dentistry and Health Sciences' website:
http://www.mdhs.unimelb.edu.au/news/fighting_flu_with_mothers_milk

For further information:

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