



CORPORATE UPDATE

As we move through the first quarter of FY 2014, the Board is pleased to provide you with this shareholder update.

At Board level, Stephen Anastasiou was appointed a Non-Executive Director. Stephen's experience, contacts and industry knowledge have been pivotal in transferring the care and management of the sale of Travelan from Takeda to Immuron's direct-to-wholesale model. The Company farewelled Dr. Stewart Washer, a valuable member of the Board and Graeme Steven, who has retired as the company's CFO and Secretary after six years of valuable support and hard work for Immuron's shareholders. We wish them both well. We also welcome Phillip Hains and Peter Vaughan to jointly fill the roles of CFO and Company Secretary.

Since completing the rights issue in April this year, Immuron has instituted measures to stabilise and strengthen our overall financial position to ensure long-term viability. As reported in June 2013, we adopted a direct-to-wholesalers strategy for sales of Travelan in Australia which is expected to increase Immuron's Travelan-based income. Overall this will enable the Company to continue to focus on the commercialisation of Travelan in other regions, as well as the ongoing development of IMM-124E for the treatment of NASH and IMM-529 for the treatment of Clostridium difficile.

The Company is pursuing other non-dilutive income sources and will keep shareholders well informed of all developments as they arrive.

PRODUCT UPDATE: TRAVELAN

Australia

Following the June announcement of the strategic decision to terminate the existing license agreement with Takeda for the distribution of Travelan in Australia and New Zealand, opportunities opened for Immuron to commence a new direct-to-wholesaler strategy. This new strategy builds on the existing brand awareness and market penetration created by Takeda over the last three years, and enables Immuron to command higher gross sales.



To support this new strategy, Immuron has executed an agreement with HealthOne, a Sydney-based company that provides Immuron with a national pharmacy contracted sales force. Under this agreement, HealthOne must promote Travelan based on pre-agreed sales targets and shared revenue arrangements ensuring sales performance.

United States

The Company has been actively pursuing a licensee in the United States for sales of Travelan. The Board is pleased to advise that Immuron is now engaged in active negotiations with one possible licensee. As shareholders can appreciate, due to the sensitive commercial nature of licensing negotiations, we are unable to provide more details until we have a binding contractual commitment in place. We will keep all shareholders notified of developments as they occur.

Canada

We have all been continually frustrated by the delays experienced awaiting the outcome of Health Canada's assessment of our application to register Travelan for sale in Canada. Whilst this is now seven months beyond our original timeline expectations, we are heartened that our Canadian partner, Paladin Labs, escalated the issue and received confirmation that the delay is not unique to Immuron or the Travelan product. Due to changes at Health Canada, including their moving of premises, other companies are being affected the same way.

In relation to sales and/or licenses of Travelan to other countries, progress continues with recent regulatory filings in a number of Asian and Middle East countries. We continue to actively pursue discussions based on genuine interest for licensing Travelan in a number of large potential global markets.

IMMURON LIMITED (ASX:IMC)

Suite 1, 1233 High Street, Armadale, Victoria 3143

t: +61 (0) 3 9824 5254 f: +61 (0) 3 9822 7735

immuron.com

PRODUCT PIPELINE

IMM-124E for NASH

With the involvement and support of key advisors, we continue our preparations for the commencement of Phase IIb NASH clinical trials while pursuing a range of funding sources, including non-dilutive funding from prospective licensees, and/or public, private and government funding opportunities.

Professor Arun Sanyal, our US-based designated principal investigator for the NASH trials, is expecting to commence related ASH clinical trials in the US in this calendar quarter. We are currently preparing labeled and coded IMM-124E product for that trial since it is expected to generate data to support the NASH indication.

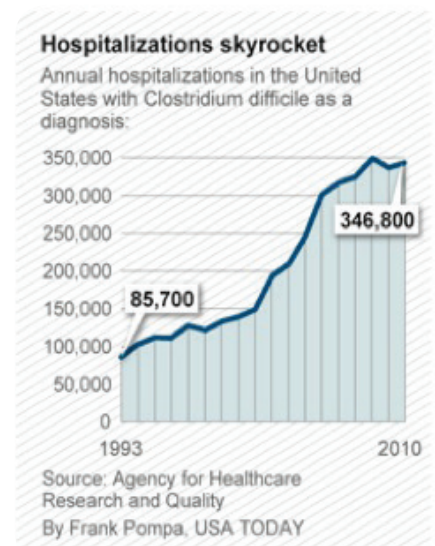
NASH is a chronic inflammatory disorder of the liver, sometimes referred to as fatty liver disease and is an unmet medical need. The (United States) National Center of Infectious Diseases predicts that by 2025 more than 25 million Americans may be affected by NASH. Immuron's IMM-124E is naturally derived from bovine colostrum, harvested from Australian dairy cows.

IMM-529 for Clostridium difficile Infection

Clostridium difficile is the most serious cause of antibiotic-associated diarrhea. In March this year we announced the successful animal model results that supported IMM-529 as a preventative therapy for C.difficile infections.

Since completion of these studies, Immuron's research partner, Monash University, has performed further animal trials designed to measure the effectiveness of IMM-529 as a treatment (ie post-infection). We expect the results to be available during this Q3 2013 enabling Immuron to finalise the pre-clinical work required before commencing a clinical trial.

The graph to the right shows the four-fold increase in hospitalisations in the US for C. difficile infection from 1993 to 2010. With little competition in the market place, the prospect of attracting premium pricing for prevention and/or treatment of this dangerous condition remains strong.



For further information please contact:

Amos Meltzer

Chief Executive Officer
amos@immuron.com
+61 (0) 437 587 680

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t: +61 (0) 3 9824 5254 f: +61 (0) 3 9822 7735
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