IMUGENE LIMITED

Animal Health Products
Pig & Poultry
Viral Vector Platforms

Biological methods for animal health and disease control

QUARTERLY SHAREHOLDER UPDATE

April 2011

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.

Imugene is pleased to report positive net operating cash flow for the nine months ended 31 March 2011 of $1.2 million and finished the 31 March 2011 quarter with $1.9 million in cash reserves, as detailed in the Appendix 4C released today.

Quarter Highlights

- *Technology and material transfer programs continue.*

Technology and Material Transfer

During the quarter ended 31 March 2011, Imugene's main focus remained on the progressing the technology and material transfer programs. The technology transfer process involves, amongst other matters, the transfer of information and accumulated trial data for Imugene's range of vaccines and productivity enhancers to our global licensee. The material transfer process involves the physical shipment of vaccines. Both processes advanced well during the quarter and are nearing completion.

Other work undertaken at our laboratory facility at La Trobe University included updating and expansion of our product range to roll out our recent product improvements through the entire range of our vaccines, and to develop specific vaccines for global regions such as Europe. For some diseases, such as PRRS, virus strain variation between the US and Europe may require separate strains of vaccine. Imugene's technology allows for a simple change in the material delivered to vary a vaccine for administration in another region if required.

END

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

Dr Warwick Lamb
Managing Director
+61 2 9870 7330

Kyahn Williamson
Investor Relations
Buchan Consulting
+61 (0) 40 1018 828

About Imugene

Imugene Limited (ASX:IMU) specialises in the development of animal health products for pigs and poultry, including vaccines and productivity enhancers.

These biologically-based vaccines:

- Improve the health and welfare of pigs and poultry
- Reduce or eliminate the use of antibiotics, chemicals and drugs, and;
- Result in economic gains for the industries that use them.

Imugene's product portfolio targets a worldwide US$3 billion animal health market and contains vaccines at each stage of the development process.

Constructed using Imugene's patented Porcine and Fowl Adenoviral Vector Delivery Systems, these vaccines address some of the major diseases and health issues threatening pig and poultry production worldwide, such as Porcine Reproductive and Respiratory Syndrome (PRRS), which causes losses of up to US$1 billion every year.

Imugene has a global licensing agreement with Novartis Animal Health, one of the world's leading animal health companies.

Together with its Poultry Productivity Enhancer (PPE), the PRRS vaccine is Imugene's most advanced product.

Among Imugene's other products are vaccines targeting the poultry disease coccidiosis and the H1N1 and H3N2 swine flu strains and the H7 and H9 avian influenza strains.

Rule 4.7B

Appendix 4C

Quarterly report
for entities admitted
on the basis of commitments

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10

Name of entity

IMUGENE LIMITED

ABN

99 009 179 551

Quarter ended ("current quarter")

31 March 2011

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	(125)	(348)
		(b) advertising and marketing	-	-
		(c) research and development	(78)	(196)
		(d) leased assets	-	-
		(e) other working capital	(172)	(577)
1.3	Dividends received		-	-
1.4	Interest and other items of a similar nature received		2	11
1.5	Interest and other costs of finance paid		-	-
1.6	Income taxes paid		-	-
1.7	Other (provide details if material)			
	R&D Rebate		-	301
	EMDG Grant		27	27
	Licence & Research Fees		253	1,990
	Net operating cash flows		(93)	1,208

+ See chapter 19 for defined terms.

		Current quarter $A'000	Year to date (9 months) $A'000
1.8	Net operating cash flows (carried forward)	(93)	1,208
	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**	(93)	1,208
	Cash flows related to financing activities		
1.15	Proceeds from issues of shares, options, etc.	-	-
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	(93)	1,208
1.21	Cash at beginning of quarter/year to date	2,049	793
1.22	Exchange rate adjustments to item 1.20	(27)	(72)
1.23	**Cash at end of quarter**	1,929	1,929

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	(146)
1.25	Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

(i) Executive salaries, consulting fees and superannuation entitlements
(ii) Non-executive director fees
(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.

		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.

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	1,922	1,943
4.2	Deposits at call	7	106
4.3	Bank overdraft	-	-
4.4	Other (provide details)	-	-
	Total: cash at end of quarter (item 1.23)	1,929	2,049

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~~* *(delete one)* give a true and fair view of the matters disclosed.

Sign here: .... Date: 29 April 2011
(~~Director~~/Company secretary)

Print name: Julie Foster

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to

+ See chapter 19 for defined terms.

disclose additional information is encouraged to do so, in a note or notes attached to this report.

2. The definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report except for any additional disclosure requirements requested by AASB 107 that are not already itemised in this report.

3. **Accounting Standards.** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

+ See chapter 19 for defined terms.