

26 February 2014

Dear Shareholder

Invion Limited Entitlement Offer – notice to eligible shareholders

On 21 February, Invision Limited (**Invion**) announced the completion of a placement to institutional and professional investors to raise approximately AU\$5 million (**Institutional Placement**), and a 1 for 20 non-renounceable rights issue entitlement offer of fully paid ordinary shares in Invision (**New Shares**) to raise approximately AU\$2 million (**Entitlement Offer**).

Funds raised from the placement and rights issue will be applied to the collaboration with 3M Drug Delivery Systems to develop Invision's inhaled respiratory drugs franchise, and continuing development of Invision's three drug assets - INV102 (nadolol), INV103 (ala-Cpn10) and INV104 (zafirlukast), as well as general working capital.

Patersons Securities Limited ACN 008 896 311 and Morgans Corporate Limited ABN 32 010 539 607 have been appointed as joint lead managers for the Equity Raising (**JLMs**).

Summary of key terms of the Entitlement Offer

Under the Entitlement Offer, Eligible Shareholders (defined below) will be invited to subscribe for 1 New Share for every 20 existing Invision ordinary shares held at 7.00pm (AEDT) on Thursday 6 March 2014 (**Record Date**) at an offer price of \$0.075 per New Share (**Entitlement**).

The Entitlement Offer is being made at the same offer price as the Institutional Placement.

Eligibility of shareholders to participate in the Entitlement Offer

You are being sent this letter because Invision believes you may be an Eligible Shareholder. An Eligible Shareholder means a holder of Invision Shares at 7.00pm (AEDT) on the Record Date who:

- has a registered address in Australia and New Zealand or is a Shareholder that Invision has otherwise determined is eligible to participate; and
- is eligible under all applicable securities laws to receive an offer under the Entitlement Offer without any requirement for a prospectus to be lodged or registered.

The Entitlement Offer is being made by Invision without a disclosure document or product disclosure statement in accordance with section 708AA of the *Corporations Act 2001* (Cth) (as notionally modified by ASIC Class Order 08/35). Shareholder approval is not required for Invision to make the offer under the Entitlement Offer.

If you are not an Eligible Shareholder you cannot participate in the Entitlement Offer. Once the Record Date has passed, Invision will notify those shareholders who are not Eligible Shareholders.

Further details about the Entitlement Offer

Eligible Shareholders who take up their full Entitlement, may subscribe for additional New Shares from a pool of those not taken up by Eligible Shareholders as at the closing date of the Entitlement Offer (**Top Up Facility**). There is no guarantee that applicants under the Top Up Facility will receive the number of New Shares applied for under the Top Up Facility, or any. The Directors reserve the right to scale-back and allot and issue New Shares under the Top Up Facility at their discretion.

The Directors also reserve the right, subject to the requirements of the Listing Rules and the *Corporations Act 2001* (Cth), to place any shortfall shares remaining after the close of the Entitlement Offer (and completion of the Top Up Facility, if any), including those Entitlements of ineligible shareholders which were unable to be taken up under the Entitlement Offer, within 3 months after the closing date of the Entitlement Offer to either existing or new Shareholders at their discretion at a price not less than the Offer Price of New Shares under the Entitlements Offer.

The Entitlement Offer is non-renounceable. Accordingly, Entitlements do not trade on the ASX, nor can they be transferred or otherwise disposed of.

Fractional Entitlements will be rounded up to the nearest whole number of New Shares and holdings on different registers or sub-registers will not be aggregated to calculate Entitlements.

Information Booklet

An information booklet and personalised Entitlement and acceptance form will be issued to Eligible Shareholders after the Record Date which will set out the number of New Shares Eligible Shareholders are entitled to purchase under the Entitlement Offer. A copy of the information booklet is also available on the ASX website at www.asx.com.au and Invion's website at www.inviongroup.com.

Key dates

Invion expects the Entitlement Offer to be conducted according to the following timetable.

Event	Date
Announcement of Institutional Placement	Friday, 21 February 2014
Announcement of Entitlement Offer	Wednesday, 26 February 2014
Settlement of the Institutional Placement	Wednesday, 26 February 2014
Allotment and trading of new shares issued under the Institutional Placement	Thursday, 27 February 2014
'Ex' date	Friday, 28 February 2014
Record Date for determining Entitlements 7.00pm (AEDT)	Thursday, 6 March 2014
Dispatch of Entitlement Offer information booklet to shareholders	Monday, 10 March 2014
Entitlement Offer opens	Tuesday, 11 March 2014
Entitlement Offer closes	Tuesday, 25 March 2014
New Shares quoted on a deferred settlement basis	Wednesday, 26 March 2014
Invion notifies ASX of under subscriptions	Friday, 28 March 2014
Allotment of New Shares under the Entitlement Offer	Wednesday, 2 April 2014
Normal trading of New Shares under the Entitlement Offer commences	Thursday, 3 April 2014
Despatch of holding statements in respect of New Shares issued under the Entitlement Offer.	Thursday, 3 April 2014

This Timetable is indicative only. The Directors may vary these dates, in consultation with the JLMs, subject to the Listing Rules. An extension of the closing date will delay the anticipated date for issue of the New Shares. The Directors also reserve the right not to proceed with the whole or part of the Entitlement Offer any time prior to allotment and issue of the New Shares. In that event, the relevant application monies (without interest) will be returned in full to applicants.

Further information

If you have any queries, please call 1300 910 051 (inside Australia) or +61 1300 910 051 (outside Australia), alternatively, consult your professional adviser.

On behalf of the Directors, I thank you for your continued support of Invion.

Yours sincerely



Dr Greg Collier
Managing Director & Chief Executive Officer