

7 June 2018

Dear Fellow Shareholder

Imugene Entitlement Offer – notice to ineligible shareholders

On 7 June 2018, Imugene Limited (ASX code: IMU) (**Imugene**) announced a \$20.1 million equity raising via a placement to institutional investors at \$0.027 per share (and 1 new option for every 3 new shares issued with an exercise price of \$0.040 per new option exercisable on or before 30 November 2021) to raise approximately \$12 million (**Institutional Placement**), and a 1 for 9.5 non-renounceable entitlement offer of fully paid ordinary shares in Imugene (**New Shares**) (and 1 new option for every 3 New Shares issued) to raise approximately \$8.1 million (**Entitlement Offer**).

In addition to providing additional working capital to meet operational needs, the proceeds of the Entitlement Offer and Placement (together, the **Equity Raising**) will enable Imugene to proceed with:

- 1 acceleration of the newly combined Imugene pipeline of HER2, PD-1 and combinations of B-cell vaccine clinical programs acquired from Ohio State University Comprehensive Cancer Centre's (**OSU**) and Mayo B-cell Peptide IP and Clinical Portfolio (as announced by the Company on 7 June 2018);
- 2 completion of Phase 2 Trial for OSU/Mayo Clinic HER-2 Vaccine;
- 3 adaptive clinical study for PD-1 vaccine candidate;
- 4 new vaccine candidates through IND enabling studies;
- 5 R&D programs at OSU to advance additional vaccine candidates; and
- 6 GMP manufacturing and GLP-preclinical studies for clinical candidates.

The Entitlement Offer is fully underwritten by Bell Potter Securities Limited.

Terms of the Entitlement Offer

Under the Entitlement Offer, Eligible Shareholders (defined below) will be invited to subscribe for 1 New Share for every 9.5 existing ordinary shares (and 1 new option for every 3 New Shares issued with an exercise price of \$0.040 per new option exercisable on or before 30 November 2021) in Imugene held at 7.00pm (AEDT) on 13 June 2018 (**Record Date**) at an offer price of \$0.027 per New Share (**Entitlement**).

The Entitlement Offer is being made by Imugene in accordance with section 713 of the *Corporations Act 2001* (Cth). Imugene lodged a prospectus for the Entitlement Offer with the Australian Securities and Investments Commission on 7 June 2018.

Documents relating to the Entitlement Offer, including the prospectus, were lodged with ASX on 7 June 2018 and are being mailed to eligible shareholders.

Shareholder approval is not required for Imugene to make the offer under the Entitlement Offer.

Eligibility of shareholders to participate in the Entitlement Offer

In accordance with the ASX Listing Rules and the *Corporations Act 2001* (Cth), Imugene has considered the number of shareholders with registered addresses outside Australia and New Zealand, the number and value of the shares held by those shareholders and the number of New Shares those shareholders would be offered pursuant to the Entitlement Offer.

Taking this into consideration, as well as the costs of complying with the legal requirements and the requirements of the regulatory authorities relating to the shareholders with registered addresses outside of Australia and New Zealand, Imugene has formed the view that it is unreasonable to extend the Entitlement Offer to shareholders with registered addresses outside of Australia and New Zealand and that the offer pursuant to the Entitlement Offer will only be extended to Imugene shareholders on the Record Date with registered addresses in Australia or New Zealand.

As you do not satisfy the criteria for eligibility, Imugene is unfortunately unable to extend the Entitlement Offer to you.

New Shares equivalent to the number of New Shares you would have been entitled to if you were an Eligible Shareholder will be allocated in accordance with the underwriting agreement.

As the Entitlement Offer is non-renounceable, you will not receive any payment or value for these entitlements in respect of any New Shares that would have been offered to you if you were eligible.

You are not required to do anything in response to this letter.

Further information

If you have any queries, please call 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia) between 8.30am and 5.00pm (AEDT) Monday to Friday during the offer period or, alternatively, consult your professional adviser.

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

A handwritten signature in black ink, appearing to read "P. Hopper", on a light-colored background.

Paul Hopper
Executive Chairman
Imugene Limited

Important information

This letter does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States, or in any other jurisdiction in which such an offer would be illegal. The securities referred to in this document have not been, and will not be, registered under the US Securities Act of 1933 (the 'US Securities Act'), or under the securities laws of any state or other jurisdiction of the United States and may not be offered or sold, directly or indirectly, within the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.