

Imagine Un Limited

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CONVERTIBLE NOTE ISSUE - UNDERWRITING

The Board of IUL is pleased to announce that it has resolved to raise a total of \$1.5 million over the next six months, by way of a series of convertible note issues, as part of its restructuring plan.

This follows an agreement in principle with one sophisticated investor to underwrite \$700,000 of the issue. The convertible notes will convert into ordinary shares on maturity at a price of one cent (\$0.01). The underwriting agreement is expected to be finalised this month. IUL is also in discussion with other potential underwriters.

The funds are to be used exclusively to fund working capital for IUL's operating subsidiary, Imagine Group Pty Limited and the launch of its Greenplan by Imagine product.

Further details of the offer will be announced on signing of a formal underwriting agreement. The underwriting agreement will be subject to the achievement of certain milestones by IUL in its restructuring plan, including the finalisation of agreements by now largely dormant subsidiary Imagine Essential Services Limited with its current and former licencees.

The underwriting agreement will also be subject to the finalisation of arrangements with some of its current and former directors relating to existing funding commitments. IUL expects to be in a position to update the market on this aspect of its restructuring plan in early February 2009.

Rodger Johnston
Director and Company Secretary

FOR MORE INFORMATION CONTACT

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