

Imagine Un Limited
ABN: 97 009 201 763

Ground Floor, 493 St Kilda Road
MELBOURNE VIC 3004

Phone: 1300 136 369
Fax: 1300 794 354



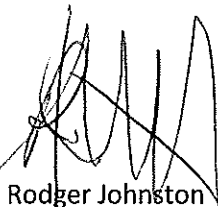
UPDATE ON RESTRUCTURE

Imagine Un Limited (IUL) wishes to advise that its Executive Chairman, Richard Evans, has resigned from his executive role at both IUL and Imagine Global Pty Ltd (IG), IUL's main operating subsidiary. Mr. Evans will remain a non-executive director of IUL and IG but will focus his attention on the challenges currently facing Imagine Essential Services Limited (IES).

IUL has agreed in principle to transfer its interest in IES as part of settlement negotiations with IES licensee's. IUL has resolved to provide no further support to IES until such time as those negotiations are finalised. IES is seeking independent advice on its position and IUL will update the market on these negotiations by the end of this week.

IUL also wishes to advise that an update to its announcement to the ASX dated 21 January 2009, in which it advised the market that the finalisation of the partial underwriting of its Convertible Note issue was dependent upon both the finalisation of negotiations with licensee's of its largely dormant subsidiary Imagine Essential Services Limited (IES) and the finalisation of arrangements with some of its current and former directors relating to existing funding commitments, is also expected by the end of this week.

In the meantime, the Board of IUL is closely monitoring its financial position and is in ongoing dialogue with its auditors and ASIC regarding its corporation's law responsibilities. It is also ensuring that no new liabilities are incurred beyond those required to maintain the now cash flow positive business of its subsidiary Imagine Global Pty Ltd.



Rodger Johnston

Director and Company Secretary

FOR MORE INFORMATION CONTACT

Richard Evans - Chairman or Rodger Johnston
+61 1300 136 369

16 February 2009