



Immuron Limited Announces \$6M Rights Issue

Melbourne, Australia, 31 May 2016: Australian microbiome biopharmaceutical company Immuron Limited (ASX: IMC) is pleased to announce that it will provide eligible shareholders with the opportunity to participate in a 3 (three) for 10 (ten) non-renounceable entitlement offer of new IMC shares (**New Shares**) at an issue price of \$0.25 per New Share (**Offer Price**) to raise up to \$6M (before costs) (**Rights Issue** or **Entitlement Offer**).

The Company is pleased to advise that it has received \$3M in Firm Commitments from Directors, Major Shareholders, and Shortfall Applicants to apply for securities under the Offer.

For each New Share subscribed to, eligible participants will receive a free-attaching 1:1 New Option exercisable at \$0.55 per option expiring 3 (three) years from the date of issue. The issuance of these New Options will be subject to shareholder approval at the Company's next forthcoming meeting of members.

The funds raised will primarily be used to fund the Company through the planned interim results of the ongoing Phase II NASH trial. The interim results will take place with a minimum 30 patients and are anticipated by end of the year. 25 patients have currently completed treatment in the trial.

It is anticipated that the interim results will provide a major inflection point for the Company.

Immuron Chairman Dr Roger Aston, outlined:

"Given the potential for a major shareholder inflection point based on this planned interim data, the Board has decided to only raise the required capital to successfully take the company to that point. Based on the interim results, we will then assess the possibility of raising additional capital at a much higher valuation to complete Phase II."

NASH is one of the major diseases currently being targeted by pharmaceutical companies. The interim NASH data will potentially allow the Company to accelerate its business development discussions prior to the end of the Phase II and provide Immuron with additional value.

Immuron CEO Mr Thomas Liquard added:

"The interim analysis will provide invaluable data on the progress we are making in targeting this complex disease and also in assessing the efficacy of IMM-124E's low dose and high dose arms. This may allow the Company to rebalance the study and increase its statistical power while delivering a more cost-effective trial outcome for the Company."

The funds raised from this Rights Issue will also be used to commence Immuron's planned clinical program in C. difficile and increase marketing activities in Australia, the US, and China to support Travelan and Protectyn.

"I am also pleased to share the attached Corporate Update for all our shareholders, which lays out the progress that we have made as a company since August 2015." Mr Liquard said.

USE of FUNDS

It is intended that net proceeds raised from the Offer will be used to fund the following activities:

1. NASH: Phase II Results of Interim Analysis and development of MHRA Protocol / Initiation of Phase II/III Study (Europe);
2. C-Difficile: Clinical supplies and initiation of Phase I;
3. OTC: Marketing and New Market expansion for Travelan and Protectyn;
4. Colitis: Completion of pre-clinical studies;
5. Corporate: Repayment of outstanding Convertible Note Facility;
6. Working Capital: Other working capital requirements including manufacturing improvements.

IMMURON: A STRONG VALUE PROPOSITION

Immuron is a unique Clinical stage biopharmaceutical company that focuses on oral immunotherapies for the treatment of inflammatory and gut mediated diseases. The Company has a strong value proposition:

- 1. Validated platform technology (dairy-derived antibodies)**
 - Wide applicability/low cost
 - Validation: (1) Product approved and launched in several countries,
(2) US NIH fully funded Phase II studies (ASH)
- 2. Lead asset IMM-124E targeting blockbuster fatty liver diseases (NASH / ASH), with potential to expand use to other indications such as diabetes:**
 - Unique and Synergistic mechanism of action: Targeting LPS endotoxins, a key disease mediator, and up-regulation of suppressor T-Cells
 - Supported by early studies which have shown evidence of anti-inflammatory effects and prevention of fibrosis
 - Large and growing market (\$35B-\$40B by 2030) driven by obesity epidemic. No approved drugs
 - High M&A/Licensing activities area that is expected to continue
- 3. Second key asset is IMM-529 which is targeting *C-Difficile***
 - Highly significant and differentiated pre-clinical data
 - This is a bacterial infection for which Immuron could get orphan drug designation from the FDA
- 4. Generating growing revenues from OTC products**
- 5. Experienced management team and strong support from Key Option Leaders (KOLs)**

Entitlement Offer

Eligible shareholders will be able to acquire 3 (three) New Share for every 10 (ten) existing Immuron ordinary shares held on the Record Date of 7.00pm (Melbourne time) on 3 June 2016 (**Entitlement**).

Subscribers to New Shares will receive a free-attaching 1:1 New Option exercisable at \$0.55 per option expiring 3 (three) years from the date of their issue. The issuance of these New Options will be subject to shareholder approval at the Company's next forthcoming meeting of members.

The Offer Price is \$0.25 per New Share. This represents a 24% discount to the closing market price of Immuron ordinary shares on 26 May 2016.

The Entitlement Offer will open on 9 June 2016 and close at 5.00pm (WST) on 20 June 2016.

Eligible shareholders who take up their Entitlements in full will also be able to apply for any New Shares not taken up by eligible shareholders in over-subscriptions to their own entitlement.

New Shares issued under this Entitlement Offer, and New Options upon exercise, issued under the Entitlement Offer will rank equally with existing Immuron ordinary shares.

Shortly, eligible shareholders will receive a copy of the offer booklet and (if eligible) an entitlement and acceptance form. Full details of the Entitlement Offer are set out in the offer booklet and Appendix 3B lodged with ASX. Both documents are available on ASX's website (www.asx.com.au) and on the Company's website (www.immuron.com).

In order to take up Entitlements, holders must meet certain eligibility criteria that are set out in the offer booklet. In particular, persons in the United State and persons acting for the account or benefit of a person in the United States will not be eligible to acquire Entitlements on ASX or take up Entitlements acquired on ASX or otherwise.

This Entitlement Offer is not underwritten, but the Company is pleased to advise that it has received \$3M in Firm Commitments from Directors, Major Shareholders, and Shortfall Applicants to apply for securities under the Offer.

A summary of the key terms of the Entitlement Offer is set out below (and an indicative timetable is set out further below):

Summary of Key Information	
Type of offer	Non-Renounceable pro rata offer to eligible shareholders of up to 24 million fully paid ordinary shares. The New Shares will rank equally in all respects from the date of allotment with the existing class of quoted shares.
Offer Price	\$0.25 (25 cents) per New Share.
Offer Ratio	3 New Shares for every 10 existing shares held at the Record Date. Fractions will be rounded up.
Additional New Shares	Eligible shareholders will have the opportunity to apply for additional shares as oversubscriptions on their Entitlement Form.
Ranking of New Shares	The New Shares will be fully paid and will rank equally in all respects with Immuron's existing issued ordinary shares.
Eligible shareholders	In accordance with the ASX Listing Rules, the Directors of Immuron have determined that the following shareholders will be eligible to participate in the Entitlement Offer: <ul style="list-style-type: none"> ▪ holders of shares in Immuron, who are entered on the register of shareholders, as at the Record Date; ▪ who are resident in Australia and New Zealand;

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| | <ul style="list-style-type: none"> ▪ who are not US Persons (as defined in Regulations made under the Securities Act 1933 (US)); and ▪ who are not acting on account for or on behalf of US Persons. |
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Shareholder Enquiries

Eligible shareholders who have questions relating to the Entitlement Offer should call the Immuron Share Registry on (08) 9315 2333 (within Australia) or +61 8 9315 2333 (outside Australia) from 8.30am to 5.30pm (Western Standard Time) Monday to Friday or go to our Entitlement Offer website at www.immuron.com.

Further information in relation to the matters described in this announcement are set out in the investor presentation released today to ASX by Immuron.

Important information

Nothing contained in this announcement constitutes investment, legal, tax or other advice. You should make your own assessment and take independent professional advice in relation to the information and any action taken on the basis of the information.

For and on behalf of the Company;



Peter Vaughan
Company Secretary
Immuron Limited

About Immuron

Immuron Ltd (ASX: IMC; OTCQB: IMROY) is a microbiome company focused on developing and commercialising oral immunotherapeutics for the treatment of a many gut mediated diseases. Immuron has a unique and safe technology platform that enables a shorter development therapeutic cycle. The Company currently markets and sells Travelan® for the prevention of travellers' diarrhoea, whilst its lead product candidate IMM-124E is in Phase 2b clinical trials for NASH and ASH. These products together with the Company's other preclinical immunotherapy pipeline products targeting immune-related diseases currently under development, will meet a large unmet need in the market.

For more information visit: <http://www.immuron.com/>

Forward-Looking Statements:

Certain statements made in this release are forward-looking statements and are based on Immuron's current expectations, estimates and projections. Words such as "anticipates," "expects," "intends," "plans," "believes," "seeks," "estimates," "guidance" and similar expressions are intended to identify forward-looking statements. Although Immuron believes the forward-looking statements are based on reasonable assumptions, they are subject to certain risks and uncertainties, some of which are beyond Immuron's control, including those risks or uncertainties inherent in the process of both developing and commercialising technology. As a result, actual results could materially differ from those expressed or forecasted in the forward-looking statements. The forward-looking statements made in this release relate only to events as of the date on which the statements are made. Immuron will not undertake any obligation to release publicly any revisions or updates to these forward-looking statements to reflect events, circumstances or unanticipated events occurring after the date of this release except as required by law or by any appropriate regulatory authority.