ASX ANNOUNCEMENT

28 March 2014

CLOSE OF RIGHTS ISSUE ENTITLEMENT OFFER
NOTICE OF SHORTFALL

Invion Limited (ASX: IVX) is pleased to confirm that it has completed the 1 for 20 non-renounceable Rights Issue Entitlement Offer ("Rights Issue") announced on 26 February 2014.

The Rights Issue offered up to 26,469,572 new shares at an issue price of $0.075 per share to enable existing shareholders the opportunity to participate on the same terms as the Company's over-subscribed Placement to institutional and sophisticated investors, which raised $5 million, as announced on 21 February 2014.

In accordance with Appendix 7A of the ASX Listing Rules, the Company advises the following:

- The Company received acceptances for a total of 11,848,977 new shares raising $0.89 million;
- As such, there is a shortfall under the Rights Issue of 14,620,595 new shares.

The allotment of new shares under the Entitlement Offer is scheduled to take place on 2 April 2014, and ASX trading of the New Shares is expected to commence on 3 April 2014.

The shortfall shares can be placed at the discretion of the Board no later than three months after the closing date of the offer (i.e. by 24 June 2014).

Managing Director and Chief Executive Officer, Dr Greg Collier, said:

"The Board was committed to offering our existing eligible shareholders an opportunity to purchase shares on the same basis as our very successful Placement last month. We continue to be very pleased at the level of confidence shown by new and existing investors in Invion's pipeline and clinical strategy."

"Efforts in the coming period are focused on the collaboration with 3M Drug Delivery Systems to develop Invion's inhaled respiratory drugs franchise, and to the continuing development of Invion's three drug assets - INV102 (nadolol), INV103 (ala-Cpn10) and INV104 (zafirulkast). We are now well-positioned to achieve milestones in our programs that should each drive significant value creation for the Company."

Patersons Securities Limited and Morgans Corporate Limited acted as Joint Lead Managers to the Placement and Rights Issue.

For and on behalf of the Board of Invion Limited

Melanie Farris
COMPANY SECRETARY

About Invion Limited

Invion is a life sciences company focussed on the development of treatments for major opportunities in respiratory disease and autoimmune disease. The Group has three drug assets in development, and three phase II clinical trials, regulated by the Food & Drug Administration (FDA), currently underway in the United States. INV102 (nadolol) a beta blocker (beta adrenergic inverse agonist) currently used to treat high blood pressure and migraine, is being repurposed to treat chronic inflammatory airway diseases, including asthma and chronic obstructive pulmonary disease (COPD). INV104 (zafirlukast) is a leukotriene receptor antagonist (LTRA) that reduces inflammation, constriction of the airways, and the build-up of mucus in the lungs. INV103 (ala-Cpn10) is a modified, naturally occurring human protein which has been proposed as a founding member of the Resolution Associated Molecular Pattern (RAMPs) family hypothesised to maintain and restore immune homeostasis. Invion is an ASX listed company (ASX:IVX), with its clinical headquarters in Delaware, USA.