ASX / MEDIA ANNOUNCEMENT

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INVION ANNOUNCES UP TO $17.4 MILLION INVESTMENT WITH AUSTRALIAN SPECIAL OPPORTUNITY FUND

Invion Limited (ASX: IVX) is pleased to announce it has entered into an agreement with The Australian Special Opportunity Fund, LP, an institutional investor managed by The Lind Partners, LLC, for a total funding commitment of up to AU$17.4 million.

The Lind Partners, LLC is a New York-based asset management company that selectively invests in public companies across a broad range of industries and economic environments.

The Share Purchase and Convertible Security Agreement provides Invion immediate access to funds through a flexible convertible instrument, and the ability to secure additional funding in stages.

The structure of the investments allows Invion to issue shares at prices that are linked to prices prevailing at the time, potentially at premiums to the present share price, minimising dilution for existing shareholders while meeting interim financing needs as upcoming clinical development milestones are approached.

Invion has a three-asset drug pipeline in the therapeutic areas of respiratory and inflammation, targeting markets with a value in excess of $34 billion.

In Q3 2014, the Company reported interim data from two phase II clinical trials currently underway - INV102 (nadolol) in asthma patients, and INV103 (ala-Cpn10) in lupus patients - as well as reporting progression of feasibility studies conducted with 3M Drug Delivery Systems for its inhaled respiratory franchise. The Company anticipates announcing interim data from its phase II trial of INV102 (nadolol) in smoking cessation during Q4 2014.

In the coming 12 months, the Company expects to report on a number of significant milestones including:

- completion and final data from the phase II study of INV103 (ala-Cpn10) in lupus patients;
- completion and final data from the phase II oral INV102 (nadolol) study in patients undergoing smoking cessation;
- completion of enrolment of the NIH-funded phase II study of INV102 (nadolol) in asthma patients;
- completion of formulation development and feasibility of INV104 (zafirlukast) as an inhaled therapy for asthma; and
- commencement of phase I studies of inhaled INV102 (nadolol)

Phillip Valliere, Managing Director of The Lind Partners, said: "We are delighted to have this opportunity to support Invion as the company advances its pipeline of products toward approval and commercialisation. We are excited by the potential of Invion's assets, impressed with the management team, and have confidence in Invion's ability to successfully execute on their programs."

Dr Greg Collier, Invion Managing Director & CEO said: "This Agreement provides funding certainty as the company focuses on its next stage of growth. We are very pleased that the Lind Partners recognise and appreciate the value proposition represented by Invion and its portfolio, and we welcome The Australian Special Opportunity Fund as an investor."

The agreement constitutes:

i. a zero interest rate convertible security in the amount of between AU$500,000 to AU$1,000,000 (with a maximum face value of AU$1,060,000), to be called on at the Company's discretion within the first six months following execution of the agreement;
ii. equity purchases of up to AU$700,000 per month through the issue of ordinary fully paid shares at an issue price of 90% of the volume weighted average price of the company's shares during a predetermined pricing period. For one monthly tranche only, the share price may be equal to 130% of the average of the daily volume weighted average price of the company's shares for the 20 trading days prior to the execution. Further, the Company will retain the ability to refuse to issue shares in a particular month if the share price falls below the floor price protection level of AU$0.04;
iii. the amounts funded under the agreement will bear no interest and will be unsecured against the company's assets except for 3,000,000 shares, which will be issued as a security;
iv. a commitment fee of AU$100,000 each, in shares, at execution and on the date that the Company elects to receive the funding;
v. 7,000,000 unlisted options, which will be issued as follows:
    - 3,500,000 options, issued on execution and exercisable at 120% of the average of the daily VWAPs for the 20 trading days immediately prior to the date of the execution
    - 3,500,000 options, issued on date of first funding and exercisable at 120% of the average of the daily VWAPs for the 20 trading days immediately prior to the date of the funding

The Agreement contains provisions requiring approval of shareholders if required under Listing Rule 7.1. Shareholder approval is not required for the initial funding to proceed.

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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) or anti-leukotriene 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 operations in Brisbane, Australia and Delaware, USA.

About Lind
The Lind Partners is a New York-based asset management firm which manages the Australian Special Opportunity Fund, LP and the Canadian Special Opportunity Fund, LP (together "Lind"). Lind funds focus on small- and mid-cap publicly traded companies with an emphasis on Australia, the United Kingdom and Canada, mainly in biotech, mining, oil & gas, technology and clean-tech. Since 2009, the Lind team has completed more than 50 direct investments for more than $500 million of transaction value as well as participating in numerous brokered placements, and has earned a reputation as a creative, flexible and supportive capital partner to investee companies.