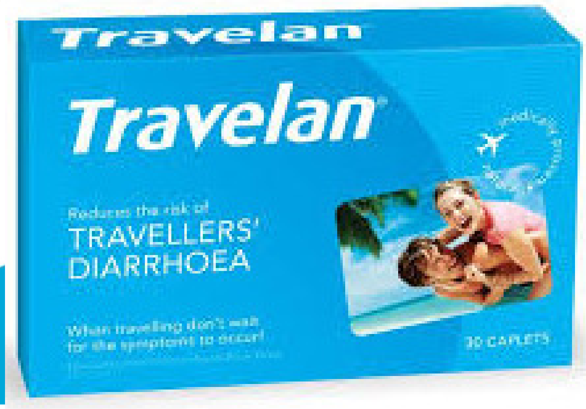
IMMURON
LIMITED

Annual Financial Report

For the year ended 30 June 2013



Contents

Operations Report

Overview of Company's Activities

Immuron Limited ("the Company" or "Immuron") continued its product development driven biopharmaceutical focus on the research and development of polyclonal antibodies for the treatment and prevention of major diseases. The following report on operations details Travelan product developments and research and development activities undertaken by the Company in the period.

During the period under review, the following key events were reported by the Company.

Immuron Limited's Business Strategy

Immuron's current strategy is to develop its product candidates to the stage that they can be out-licensed in a manner designed to deliver greatest shareholder value. Such licensing arrangements are intended to provide Immuron with upfront, milestone-based and royalty bearing payments. A key feature of this strategy is that any such license will be coupled with a supply arrangement under which Immuron maintains and controls the supply and production of its hyper-immune dairy derived products, thereby maintaining control over its technology platform. The timing and the nature of the licenses are expected to vary according to the profile and stage of development for each product.

Review of Operations

During the financial year ending on 30 June 2013, Immuron continued its three-pronged focus on the global commercialisation of Travelan, the clinical development of IMM-124E for NASH and the development towards clinical stage of an infectious disease product candidate, being IMM-529 for C.difficile infections.

Travelan continues to provide us with the opportunity to substantially increase the company's short term revenues, whilst both IMM-124E and IMM-529 provide us with the prospect of a longer term, and substantially higher rewards.

During the period under review, the key events reported by Immuron were:

- Immuron's principal investigator for its impending NASH (non-alcoholic steatohepatitis) Phase IIb clinical trial, Professor Arun Sanyal, has been awarded a National Institutes of Health grant to conduct a clinical trial for the related condition ASH (alcoholic steatohepatitis)

- An agreement with Harvest & Health Co Ltd, for the distribution of Travelan in China and Taiwan.

- Results demonstrating that IMM-529 is effective in preventing Clostridium difficile (C. difficile) infections in mice.

- Drawing down $CA0.5M, being the second tranche of the debenture agreement that facilitates a funding arrangement under which Paladin Laboratories Inc., provided a total of $CA 1.5M to Immuron

- Raising of $1.86M through a fully underwritten renounceable pro-rata rights offer to the company's shareholders

- Adoption of a direct-to-wholesalers sales model for Travelan in Australia following termination of the company's license agreement with Takeda, thereby enabling Immuron to command higher gross margins on its sales of Travelan in Australia.

Travelan

The global commercialisation of our flagship product Travelan, continues to be a focus. By 30 June 2013 Immuron had entered into 4 Travelan commercialisation agreements for several countries in Asia, such that 79% of tourists visiting Asia Pacific will be travelling to countries where Travelan is licensed. Pending marketing approval for several licensed territories, launches in these countries are anticipated this calendar year.

As at 30 June 2013 and currently, we continue to await marketing authorisation from the regulatory authority in Canada which experienced internal delays unrelated to Travelan.

As at 30 June 2013 our relationship with MEDA, our former US licensee, has formally ended after MEDA and Immuron jointly determined that Travelan did not fit the MEDA portfolio. MEDA and Immuron parted on good terms, with the realization that, for Immuron to be able to do full justice to the commercialization of Travelan in the United States, there needs to be a consumer group focus. Immuron is currently in progressed discussions with a more suitable licensing partner.

In June 2013, we announced termination of the company's license agreement with Takeda for the distribution of Travelan in Australia and New Zealand and adoption of a direct-to-wholesaler strategy. Since 2010 Takeda has achieved market penetration for Travelan in Australia and has built the Travelan brand.

Immuron is leveraging these achievements and applying them to its direct-to-wholesaler strategy through which Immuron commands substantially higher gross margins.

In the financial year ending 30 June 2012, Immuron announced that its sales of Travelan were approximately $450K. In the financial year ending 30 June 2013, Immuron's sales of Travelan were approximately $150K. We expect substantial increases in the financial year ending 30 June 2014 and thereafter.

In support of the direct-to-wholesaler strategy, Immuron entered into an Agreement with HealthOne, a Sydney-based company, that provides a national pharmacy contracted sales force. Under this Agreement, HealthOne is promoting Travelan based on agreed targets and a revenue sharing arrangement. Our largest shareholder, Grandlodge has been managing the marketing and the logistics associated with the sale of Travelan, including setting up accounts and liaising with pharmaceutical wholesalers. Grandlodge's involvement has been pivotal in enabling Immuron to adopt its direct-to-wholesalers model.

IMM-124E for NASH:

We continue to be encouraged by the commercial and scientific interest generated in our NASH product program. At the heart of IMM-124E for NASH is the principle that endotoxins (toxins released by certain types of bacteria) play a key role in the development of NASH, which is also known as "bacterial translocation" or "leaky gut". These endotoxins activate inflammatory pathways associated with NASH, a proposition which is supported by a number of publications.

Based on our data generated to date, the polyclonal antibodies contained in Immuron's IMM-124E agglutinate, or stick to, the endotoxins associated with NASH, thereby preventing bacterial translocation and the pathogenesis of NASH. This is achieved by the antibodies comprised in IMM-124E acting in the GI-tract and eliciting a systemic response without crossing into the blood stream. As a bovine colostrum derived product, its safety profile is high. For all these reasons, IMM-124E is attracting significant attention.

During the year ending 30 June 2013 we progressed the development of IMM-124E so that when funds are available to commence the clinical trials, Immuron will be able to progress the clinical trials expeditiously. The preparations have included discussions and with our clinical advisors and potential licensees on the design and optimisation of the NASH Phase 2 trials.

IMM-529 for Clostridium difficile infection:

Clostridium difficile (C.difficile) is a bacteria normally found in people's intestines. Under certain circumstances C.difficile can multiply and cause diarrhoea as well as potentially life threatening intestinal conditions including colonic perforation and toxic megacolon. Deaths related to C.difficile increased 400% between 2000 and 2007, due in part to a stronger germ strain and antibiotic resistance.

IMM 529 is being designed to both prevent and treat C.difficile infections. Since June 2012, when we announced the first results of our C.difficile program conducted under collaboration with Monash University, we have continued to see very encouraging data, demonstrating its potential as both a preventative and a treatment. These results have formed the basis of patent applications which are designed to provide multiple aspects of monopolistic protection. Additional pre-clinical (mouse model) trials are currently being prepared to support a human trial.

IMM-255 for Influenza

In May we announced our decision to end the project for the development of IMM-255 for Influenza. Following a number of pre-clinical trials in mice and ferrets, there was insufficient statistically significant information that supported the efficacy of IMM-255 in protecting against influenza infection.

Further studies in relation to this project will be considered in the future.

Corporate

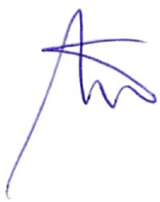
During the year ending 30 June 2013, we announced a number of changes to our management and board constituency. In March 2013 we announced the resignation of Joe Baini as a Director and the Chief Executive Officer and the appointment of Amos Meltzer as interim Chief Executive Officer.

In April 2013, we announced the resignation of Graeme Stevens as the company's Chief Financial Officer and Secretary and the appointment of Phillip Hains and Peter Vaughan as the company's co-secretaries.

In May 2013, following the announcement of the company's fully underwritten renounceable pro-rata rights offer to the company's shareholders, we announced the appointment of Stephen Anastasiou as a Director of the company.

Subsequent to the end of the financial year, Dr Stewart Washer and Dr Elane Zelcer retired as Directors of the Board in July and September respectively.

For and on behalf of the Company;



Amos Meltzer
Interim Chief Executive Officer (CEO)
Immuron Limited

Dated: This the 27th Day of September 2013

Intellectual Property Report

Immuron owns a number of patent families claiming methods of use for hyperimmune colostrum, all relevant to its products.

Immuron's patent-monopoly powers are supplemented by a comprehensive body of know-how which Immuron generated over many years and which relates to the production of Immuron's hyper-immune colostrum, including numerous protocols and SOPs. These trade secrets also include information relating to a low cost production system and an effective immunisation process that is approved by an independent animal ethics committee.

During the year ending 30 June, Immuron continued to progress its patents portfolio.

A summary of the principal patent families owned by Immuron is set out in the table below:

Number	Country	Status	Expiry
Travelan: Composition and Method for the Treatment and Prevention of Enteric Bacterial Infections			
2004216920	Australia	Granted	4 March 2024
0408085-8	Brazil	Pending	4 March 2024
2,517,911	Canada	Pending	4 March 2024
201210055406.0	China	Pending	4 March 2024
04716992.5	Europe	Pending	4 March 2024
230,664	India	Granted	4 March 2024
542088	New Zealand	Granted	4 March 2024
10/548,156	USA	Pending	4 March 2024
IMM-124E for NASH; Immuno-Modulating Compositions for the Treatment of Immune-Mediated Disorders			
2009222965	Australia	Pending	11 March 2029
2,718,381	Canada	Pending	11 March 2029
09720973.8	Europe	Pending	11 March 2029
587901	New Zealand	Granted	11 March 2029
12/879,129	USA	Pending	11 March 2029
13/715,371	USA	Pending	11 March 2029
IMM 243 Methods and Compositions Using Anti-Lps Ligands for the Treatment and Prevention of Inflammatory Disorders			
2011313811	Australia	Pending	4 October 2031
2,813,612	Canada	Pending	4 October 2031
11 830 116.7	Europe	Pending	4 October 2031
100135979	Taiwan (ROC)	Pending	4 October 2031
13/877,780	USA	Pending	4 October 2031

Number	Country	Status	Expiry
IMM-363 for Method and Composition for Treatment or Inhibition of Mucositis Associated with Chemotherapy or Radiation Damage			
2012269740	Australia	Pending	18 June 2032
PCT/AU2012/000700	PCT	Pending	18 June 2032
IMM 529 Methods and Compositions for the Treatment and/or Prophylaxis of Clostridium Difficile Associated Disease			
2013901386 *	Australia	Pending	19 April 2034

* This application is a provisional application. An international filing is pending.

Directors' Report

The Board of Directors of Immuron Limited (referred to hereafter as 'the Company' or 'Immuron') present their report for the year ended 30 June 2013. In order to comply with the provisions of the *Corporations Act 2001*, the Board of Directors report as follows:

Directors

The names of the Directors in office at any time during, or since the end of the year are as follows:

Dr. Roger Aston	**Independent Non-Executive Chairman**
Appointed to the Board	20 March 2012
Last elected by shareholders	26 November 2012
Qualifications	BSc (Hons), PhD
Experience	Dr Aston has more than 20 years of experience in the pharmaceutical and biotech industries. Dr Aston was previously the Chief Executive Officer and a Director of Mayne Pharma Group Limited. Prior to his position at Mayne Pharma, some of his previous positions have included CEO of Peptech Limited (Australia), Director of Cambridge Antibody Technology Limited (UK) and Chairman of Cambridge Drug Discovery Limited (UK – now Bio Focus plc). Dr Aston was also founder and CEO of Biokine Technology Ltd (UK) prior to its acquisition by the Peptech Group. Dr Aston was also a director of pSivida Ltd. During the past 20 years of his career, Dr Aston has been closely involved in the development of many successful pharmaceutical and biotechnology companies. Dr Aston has extensive experience including negotiating global licence agreements, overseeing product registration activities with the FDA, the establishment and implementation of guidelines and operating procedures for manufacturing and clinical trials, overseeing manufacturing of human and veterinary products, private and public fund raising activities and the introduction of corporate governance procedures.
Interest in shares and options	13,122,482 ordinary shares and 4,216,667 options over ordinary shares.
Committees	Chairman and Member of the Company's Remuneration Committee; and Member of the Company's Audit and Risk Committee.
Directorships held in other public entities	Dr. Aston is currently a Director of IDT Limited (ASX:IDT), Oncosil Medical Limited (ASX:OSL), PharmAust Limited (ASX:PAA), Cynata Inc, and Regeneus Limited
Other directorships held during the past 3 years	Director of Mayne Pharma Group (Aug 2005 to Feb 2012) Director of Ascent Pharmahealth Limited (2008 – 2010)

Mr. Daniel Pollock	Independent Non-Executive Director
Appointed to the Board	11 October 2012
Qualifications	LL.B; Dip L.P
Experience	Daniel Pollock is a lawyer admitted in both Scotland and Australia and holding Practicing Certificates in both Jurisdictions. He is sole practitioner in his own legal firm based in Melbourne, Australia which operates internationally and specializes in commercial law. Daniel is Chairman and Company Secretary of Amaero Pty Ltd, a company established to commercialise laser based additive manufacturing emerging from Monash University. He is also Executive Director and co-owner of Great Accommodation P/L a property management business operating in Victoria. Daniel has had historical involvement as a seed investor and Board member of a number of small unlisted companies. The most recent of these was an E-Pharmacy company where he was heavily involved in its commercial growth and ultimate sale to a large listed health services company.
Interest in shares and options	6,418,993 ordinary shares and 1,266,667 options over ordinary shares.
Committees	Member of the Company's Audit and Risk Committee.
Directorships held in other public entities	Nil.

Mr. Stephen Anastasiou	Non-Executive Director
Appointed to the Board	28 May 2013
Qualifications	BSc (Hons), Grad. Dip MKTG, MBA
Experience	Mr Anastasiou; B.Sc(Hons), Grad. Dip MKTG, MBA, has over 20 years' experience in general management, marketing and strategic planning within the healthcare industry. His breadth of experience incorporates diagnostics, ethical, hospital, dental and OTC products, with companies including the international pharmaceutical company Bristol Myer Squibb. While employed as a management consultant with KPMG Peat Marwick, Mr. Anastasiou has previously led project teams in a diverse range of market development and strategic planning projects in both the public and private sector. He is also a director and shareholder of a number of unlisted private companies, covering a variety of industry sectors that include healthcare and funds management. Mr Anastasiou's companies have participated in several corporate transactions involving business units and brands of multinational and Australian companies
Interest in shares and options	151,626,929 ordinary shares and 66,666,667 options over ordinary shares.
Directorships held in other public entities	Nil.

Prof. Colin Chapman	Independent Non-Executive Director
Appointed to the Board	18 June 2008
Resigned from the Board	8 October 2012

Mr. Joseph Baini	Executive Director
Appointed to the Board	25 May 2012
Resigned from the Board	28 February 2013

Dr. Stewart Washer	Independent Non-Executive Director
Appointed to the Board	24 October 2001
Resigned from the Board	3 July 2013

Dr. Elane Zelcer	Independent Non-Executive Director
Appointed to the Board	19 November 2009
Resigned from the Board	2 September 2013

Directors have been in office since the start of the financial year to the date of this report, unless stated otherwise.

Company Secretary

Mr Phillip Hains — **Joint Company Secretary**

Mr Hains was appointed as Company Secretary since 19th April 2013.

Mr Hains is a Chartered Accountant and specialist in the public company environment. He has served the needs of a number of public company boards of directors and related committees. He has over 20 years' experience in providing accounting, administration, compliance and general management services. He holds a Masters of Business Administration from RMIT and a Public Practice Certificate from the Institute of Chartered Accountants.

He is currently a Non-Executive Director of BKM Management Limited (ASX:BKM) and of Outward Bound Australia.

Mr Peter Vaughan — **Joint Company Secretary**

Mr Vaughan was appointed as Company Secretary on 19th April 2013.

Mr Vaughan is a Chartered Accountant who has worked in the listed company environment for almost 10 years across a number of industries. He has served on and provided accounting, administration, compliance and general management services to a number of private, not-for-profit and public company boards of directors and related committees. He is currently a Director of The Manningham Club Limited, and also of Wildlife Victoria Inc.

Mr Graeme Stevens — **Company Secretary**

Mr Stevens resigned as Company Secretary on 19th April 2013 following 6 years of service.

Principal Activity

The Company's principal activity is a product development driven biopharmaceutical Company focused on the research and development of polyclonal antibodies for the treatment and prevention of major diseases.

Dividends

The Directors did not pay any dividends during the financial year. The Directors do not recommend the payment of a dividend in respect of the 2013 financial year.

Significant Changes in State of Affairs

There have been no other significant changes in the nature of Immuron Limited's principal activities during the financial year.

Significant Events after Balance Date

15 July 2013 - Immuron issued 31,746,031 unlisted options exercisable at $0.0075 per option on or before 30 June 2016 to employees and consultants of the Company under the current ESOP plan.

There have not been any matters or circumstances, other than those referred to above and in the financial statements or notes thereto, that have arisen since the end of the financial year, which significantly affected, or may significantly affect, the operations of Immuron Limited, the results of those operations or the state of affairs of Immuron Limited in future financial years.

Business Strategy, Future Developments and Prospects

Immuron aims to create value for shareholders through its continued sales and licensing opportunities for Travelan, and through the development and commercialization of its other proprietary products, principally for the treatment of NASH and Clostridium difficile.

Immuron continues to focus on increasing revenues sales of its flagship product of Travelan in Australia, through its recently established direct-to-wholesaler sales strategy, and to expand its sales into new markets overseas: both those markets for which a license has been granted and are currently under regulatory review as well as expanding into new markets. Immuron is engaged in discussions with a prospective US partner and is hoping to finalise a partnership/license agreement for the commericalisation of Travelan in the US.

The Company continues to develop its NASH and C-Diff products, both of which present significant commercial opportunities.

Immuron remains well positioned to create value for its shareholders as Travelan sales and revenues continue to strengthen and new development opportunities evolve related to the NASH and C-Diff projects.

Operating and Financial Review

Income Statement

The reported after tax loss of $3,539,117 is after fully expensing all of the Company's research and development expenditure and patenting costs of $1 million incurred during the year.

The Company engaged a new specialised R&D Tax consultant to review the research and development expenses of the Company for the last three financial years, to ensure the maximum rebate is received under the Australian Government's R&D Tax Incentive program. Immuron has recently resubmitted its FY2012 tax return and it is anticipated that a cash inflow in the order of $190k will be received in the coming weeks. Previously claimed returns for the FY2010 and FY2011 are also being reviewed as well as the current FY2013. It is anticipated that the Company will receive substantial cash inflows following this review process.

The total revenue and other income for the year was $454k, which is a reduction of $1.1 million from the previous year. The reduced revenue culminated in the termination of the Nycomed license and distribution agreement and also formalization of the Meda Consumer Health Care agreement being at its end. Following one time termination costs in respect of these agreement, the Company is now in a substantially better position principally with respect to its Travelan business in each of Ausrtalia and the United States.
The direct to wholesaler sales strategy is already starting to pay dividend as the Company has almost achieved greater sales in the three months of FY2014, than it did for the entire FY2013. Revenues were lower this financial year compared to the company's income in FY2012, on account of one-off licensing income that was received in FY 2012.

Across the Company, all areas of expenditure have been substantially reduced to ensure funds are preserved and expenditure is prudent. An increase in the amortisation expense, described in last year's financial report, is due to the Company changing the useful life of its intangible assets to a finite life. This has no direct effect on cash flows as it is a non-cash expense.

Balance Sheet

At 30 June 2013 the Company's cash position was $1.45 million (June 2012: $1.44 million). The Company had trade and other receivables of $15,438 (June 2012: $204,752). This receivables amount does not include any anticipated future receivables from the Australian Government under the R&D Tax Incentive program mentioned above. The Company had a convertible debenture note borrowing with a face value of CAD$1.5 million (2012: CAD$1 million) and at 30 June 2013 had cash reserves of $1.45 million.

Statement of Cash Flows

The net operating and investing cash outflows for the year were $2,052,607 (2012: $2,465,520) which included costs associated with the Company's further development of its research and development programs.

During the financial year $179,615 was received from R&D tax incentives associated with eligible expenditure and activities. This amount does not include any amounts for resubmitted or eligible R&D tax incentive expenditures currently being reviewed from the prior financial years. The Company received Net cash inflows from financing activities of $2,055,391 (2012: $3,158,634).

Material Business Risks

Immuron operates in the biotechnology and pharmaceutical sectors and has projects in both the commercial sales and development phases. Any investment in the biotechnology industry is considered high-risk. The Company is subject to normal business risks, including but not limited to interest rate movements, labour conditions, government policies, securities market conditions, exchange rate fluctuations, and a range of other factors which are outside the control of the Board and Management.

More specific material risks of the sector and the Company include, but are not limited to:

- Scientific, technical & clinical – product development requires a high level of scientific rigour, for which the outcomes cannot be known beforehand. Activities are experimental in nature so the risk of failure or delay is material. Key development activities, including clinical trials and product manufacture, are undertaken by specialist contract organisations; and there are risks in managing the quality and timelines of these activities.

- Regulatory – products and their testing, may not be approved by, or be delayed by regulatory bodies (such as in the case of Health Canada) whose approvals are necessary before products can be sold in market.

- Financial – the Company currently, and since inception, does not receive sufficient income to cover operating expenses. There is no certainty that additional capital funding may not be required in the future, and no assurance can be given that such funding will be available, if required.

  Intellectual Property (IP) – commercial success requires the ability to develop, obtain and maintain commercially valuable patents, trade secrets and confidential information. Gaining and maintaining the IP across multiple countries; and preventing the infringement of the Company's exclusive rights involves management of complex legal, scientific and factual issues. The Company must also operate without infringing upon the IP of others.

- Commercialisation – the Company relies, and intends to rely, upon corporate partners to market, and in some cases finalise development of its products, on its behalf. There are risks in establishing and maintaining these relationships, and with the manner in which partners execute on these collaborative agreements.
- Product acceptance & competiveness – a developed product may not be considered by key opinion leaders (eg. doctors), reimbursement authorities (eg. PBA-listing) or the end customer to be an effective alternative to products already on market, or new superior future products may be preferred.
- Product liability – a claim or product recall would significantly impact the Company. Insurance, at an acceptable cost, may not be available or be adequate to cover liability claims if a marketed product is found to be unsafe.
- Key personnel – the Company's success and achievements against timelines depend on key members of its highly qualified, specialised and experienced management and scientific teams. The ability to retain and attract such personnel is important.
- Grant and R&D incentives – the Company may undertake R&D activities under competitive grants and be part-funded by other incentive programs (eg R&D tax credits). There is no certainty that grants or incentive programs will continue to be available to the Company, and changes in government policy may reduce their applicability.

In accordance with good business practice in the pharmaceutical industry the company's management actively and routinely employs a variety of risk management strategies. These are broadly described in the Corporate Governance Statement.

Biotechnology Companies – Inherent Risks

Some of the risks inherent in the development of a pharmaceutical product to a marketable stage include the uncertainty of patent protection and proprietary rights, whether patent applications and issued patents will offer adequate protection to enable product development or may infringe intellectual property rights of other parties, the obtaining of the necessary drug regulatory authority approvals and difficulties caused by the rapid advancements in technology. Also a particular compound may fail the clinical development process through lack of efficacy or safety. Companies such as Immuron Limited are dependent on the success of their R&D projects and on the ability to attract funding to support these activities. Investment in research and development projects cannot be assessed on the same fundamentals as trading and manufacturing enterprises. Thus investment in these areas must be regarded as speculative, taking into account these considerations.

This Report may contain forward-looking statements regarding the potential of the Company's projects and interests and the development of the Company's projects and interests and the development and therapeutic potential of the Company's research and development projects. Any statement describing a goal, expectation, intention or belief of the Company is a forward-looking statement and should be considered an at-risk statement. Such statements are subject to certain risks and uncertainties, particularly those inherent in the process of discovering, developing and commercialising drugs that are safe and effective for use as human therapeutics and the financing of such activities. There is no guarantee that the Company's research and development projects will be successful or receive regulatory approvals or prove to be commercially successful in the future. Actual results of further R&D could differ from those projected or detailed in this report.

As a result, you are cautioned not to rely on forward-looking statements. Consideration should be given to these and other risks concerning the Company's research and development program referred to in this Directors' Report and in the Company's 'Operations Report' as contained in this Financial Report for the period ended 30 June 2013.

Environmental Regulation and Performance

The Company is involved in pharmaceutical research and development, much of which is contracted out to third parties, and it is the Director's understanding that these activities do not create any significant/material environmental impact. To the best of the Company's knowledge, the scientific research activities undertaken by, or on behalf of, the Company are in full compliance with all prescribed environmental regulations.

Meetings of Directors

During the financial year, 15 meetings of Directors (including committees of Directors) were held. Attendances by each Director during the year were as follows:

	Board Meetings		Committee Meetings			
			Audit and Risk		Remuneration	
	No. eligible to attend	No. attended	No. eligible to attend	No. attended	No. eligible to attend	No. attended
Dr Roger Aston	12	12	2	2	1	1
Dr Elane Zelcer	12	11	2	2	1	1
Mr Daniel Pollock	8	8	-	-	-	-
Mr Stephen Anastasiou	1	1	-	-	-	-
Prof Colin Chapman	3	3	1	1	-	-
Mr Joseph Baini	8	8	-	-	-	-
Dr Stewart Washer	12	11	-	-	-	-

As at the date of this report the Company had an Audit Committee and Remuneration Committee, with membership of the committees as follows:

	Audit and Risk Committee	Remuneration Committee
Chairman	Dr Roger Aston	Dr Roger Aston
Members	Mr Daniel Pollock	Mr Daniel Pollock

Indemnification and Insurance of Directors and other Officers

Under the Company's constitution:

(a) To the extent permitted by law and subject to the restrictions in section 199A and 199B of the Corporations Act 2001, the Company indemnifies every person who is or has been an officer of the Company against any liability (other than for legal costs) incurred by that person as an officer of the Company where the Company requested the officer to accept appointment as Director.

(b) To the extent permitted by law and subject to the restrictions in sections 199A and 199B of the Corporations Act 2001, the Company indemnifies every person who is or has been an officer of the Company against reasonable legal costs incurred in defending an action for a liability incurred by that person as an officer of the Company.

The Company has insured its Directors, the Company Secretaries and executive officers for the financial year ended 30 June 2013. Under the Company's Directors' and Officers' Liability Insurance Policy, the Company cannot release to any third party or otherwise publish details of the nature of the liabilities insured by the policy or the amount of the premium. Accordingly, the Company relies on section 300(9) of the Corporations Act 2001 to exempt it from the requirement to disclose the nature of the liability insured against and the premium amount of the relevant policy.

The Company also has in place a Deed of Indemnity, Access and Insurance with each of the Directors. This Deed:

(i) indemnifies the Director to the extent permitted by law and the Constitution against certain liabilities and legal costs incurred by the Director as an officer of any Group Company;

(ii) requires the Company to maintain, and pay the premium for, a D&O Policy in respect of the Director; and

(iii) provides the Director with access to particular papers and documents requested by the Director for a Permitted Purpose;

both during the time that the Director holds office and for a seven year period after the Director ceases to be an officer of any Group Company, on the terms and conditions contained in the Deed.

Share Options on Issue as at the Date of this Report

The unissued ordinary shares of Immuron Limited under option as at the date of this report were:

Class	ASX Code	Date of Expiry	Exercise Price	No. Under Option
Listed Options	IMCO	15 December 2013	$0.1200	2,752,230
Listed Options	IMCOA	30 April 2015	$0.0400	116,024,381
Unlisted Options	IMCSO	30 June 2014	$0.0700	4,000,000
Unlisted Options	IMCSO1	30 June 2015	$0.0400	3,000,000
Unlisted Options	IMCSO2	1 November 2017	$0.0400	7,000,000
Unlisted Options	IMCRM1	30 November 2021	$0.0497	579,736
Unlisted Options	IMCRM2	17 January 2022	$0.0480	1,186,729
Unlisted Options	IMCAI	31 March 2016	$0.0100	155,317,501

Shares Issued as a Result of the Exercise of Options

During the year ended 30 June 2013, and through to the date of this report, no ordinary shares of Immuron Limited were issued on the exercise of options.

Proceedings on Behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the Corporations Act 2001.

Non-Audit Services

The Company's Auditors PricewaterhouseCoopers (PwC), did not provide any non-audit services during the 2013 financial year.

Auditor's Independence Declaration

The Auditors Independence Declaration as required under section 307C of the Corporations Act 2001 for the year ended 30 June 2013 has been received and can be found in the 'Auditor's Independence Declaration' section of this Annual Report.

Corporate Governance

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of Immuron support and adhere to good corporate governance practices. The Company's Corporate Governance Statement is contained in the 'Corporate Governance Statement' section of this Annual Report.

Remuneration Report (Audited)

This Remuneration Report outlines the Director and Executive remuneration arrangements of the Company as required by the Corporations Act 2001 and its Regulations.

This report details the nature and amount of remuneration of each Director of Immuron Limited and all other Key Management Personnel.

For the purposes of this report, Key Management Personnel (KMP) are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly, including any Director (whether Executive or otherwise) of the Company. The Key Management Personnel disclosed below are, or were, among the Company's highest paid executives.

For the purposes of this report, the term 'executive' encompasses the chief executive, senior executives, and secretaries of the Company.

This report details the nature and amount of remuneration for each Director of Immuron Limited, and for the other Key Management Personnel.

The Directors of Immuron Limited during the year were:

Dr Roger Aston	Independent Non-Executive Chairman
Mr Daniel Pollock [1]	Independent Non-Executive Director
Mr Stephen Anastasiou [1]	Non-Executive Director
Prof Colin Chapman [2]	Independent Non-Executive Director
Mr Joesph Baini [2]	Executive Director
Dr Stewart Washer [2]	Independent Non-Executive Director
Dr Elane Zelcer [2]	Independent Non-Executive Director

[1] These Directors were appointed during the 2013 financial year on the dates disclosed earlier in this Directors Report.

[2] These Directors resigned during or after the 2013 financial year on the dates disclosed earlier in this Directors Report.

The other Key Management Personnel of Immuron Limited during the year were:

Mr Joesph Baini [1]	Chief Executive Officer (CEO)
Mr Amos Meltzer [2]	Interim Chief Executive Officer (CEO) & Business Development Director
Mr Graeme Stevens	Company Secretary and Chief Financial Officer

[1] Mr Joesph Baini resigned from his position of CEO on 28 February 2013.

[2] Mr Amos Meltzer was appoint to the position of Interim CEO on 1 March 2013.

Section A: Principles used to determine the nature and amount of Remuneration

Remuneration Policy

The Remuneration Policy ensures that Directors and Senior Management are appropriately remunerated having regard to their relevant experience, their performance, the performance of the Company, industry norms/standards and the general pay environment as appropriate. The Remuneration Policy has been established to enable the Company to attract, motivate and retain suitably qualified Directors and Senior Management who will create value for shareholders.

Remuneration Policy versus Company Performance

The Company's Remuneration Policy is not directly based on the Company's earnings. The Company's earnings have remained negative since inception due to the nature of the Company. Shareholder wealth reflects this speculative and volatile market sector. No dividends have ever been declared by the Company. The Company continues to focus on the research and development of its intellectual property portfolio with the objective of achieving key development and commercial milestones in order to add further Shareholder value.

The Company's performance over the previous five financial years is as follows:

Net Loss financial year 2013	$3,539,117
Net Loss financial year 2012	$2,297,520
Net Loss financial year 2011	$2,595,179
Net Loss financial year 2010	$1,902,425
Net Loss financial year 2009	$2,317,817

Remuneration Committee

The Remuneration Committee of the Board of Directors of Immuron Limited is responsible for overseeing the Remuneration Policy of the Company and for recommending or making such changes to the policy as it deems appropriate.

Non-Executive Director Remuneration

Objective

The Remuneration Policy ensures that Non-Executive Directors are appropriately remunerated having regard to their relevant experience, individual performance, the performance of the Company, industry norms/standards and the general pay environment as appropriate.

Structure

The Company's Constitution and the ASX Listing Rules specify that the aggregate remuneration of Non-Executive Directors shall be determined from time to time by a Meeting of Shareholders. An amount (not exceeding the amount approved at the Shareholders Meeting) is determined by the Board and then divided between the Non-Executive Directors as agreed. The latest determination was at the Shareholders Meeting held on 8 November 2005 when shareholders approved the aggregate maximum sum to be paid or provided as remuneration to the Directors as a whole (other than the Managing Director and Executive Directors) for their services as $350,000 per annum.

In the year ended 30 June 2013, the Non-Executive Directors were remunerated in aggregate $208,465 per annum, including superannuation.

The manner in which the aggregate remuneration is apportioned amongst Non-Executive Directors is reviewed periodically.

The Board is responsible for reviewing its own performance. Board, and Board committee performance, is monitored on an informal basis throughout the year with a formal review conducted during the financial year.

No retirement benefits are payable other than statutory superannuation, if applicable.

Executive Director and Executive Officer Remuneration

Objective

The Remuneration Policy ensures that Executive Directors are appropriately remunerated having regard to their relevant experience, individual performance, the performance of the Company, industry norms/standards and the general pay environment as appropriate.

Structure

The Non-Executive Directors are responsible for evaluating the performance of the Chief Executive Officer (CEO) who in turn evaluates the performance of the other Senior Executives. The evaluation process is intended to assess the Company's business performance, whether long-term strategic objectives are being achieved and the achievement of individual performance objectives.

The performance of the CEO and Senior Executives are monitored on an informal basis throughout the year and a formal evaluation is performed annually.

Fixed Remuneration

Executives' fixed remuneration comprises salary and superannuation and is reviewed annually by the CEO, and in turn, the Remuneration Committee. This review takes into account the Executives' experience, performance in achieving agreed objectives and market factors as appropriate.

Variable Remuneration – Short Term Incentive Scheme

All Executives are entitled to participate in the Employee Short Term Incentive Scheme which provides for executive employees to receive a combination of short term incentive (STI) and long term incentive (LTI)'s as part of their total remuneration if they achieve certain performance indicators as set by the Board. The STI can be paid either by cash, or a combination of cash and the issue of equity in the Company, at the determination of the Board and Remuneration Committee.

The Remuneration Committee approves the issue of bonuses following the recommendations of the CEO in their review of the performance of the Executives and the Company as a whole against agreed Key Result Areas (KRA's).

The Board approves Corporate KRA's on an annual basis. Personal KRA's are developed for each Executive.

Variable Remuneration – Long Term Incentive Scheme

Executives may also be provided with longer-term incentives through the Company's Executive Share Option Plan (ESOP), that was approved by shareholders at the General Meeting held on 5 September 2011. The aim of the ESOP is to allow the Executives to participate in, and benefit from, the growth of the Company as a result of their efforts and to assist in motivating and retaining those key employees over the long term. Continued service is the condition attached to the vesting of the options. The Board at its discretion determines the total number of options granted to each Executive.

Voting and Comments Made at the Company's 2012 Annual General Meeting

The Company received 95.42% of the "yes" votes on its remuneration report for the 2012 financial year. There were no specific comments raised at the Annual General Meeting or throughout the year on its remuneration practices.

Section B: Details of Remuneration

Details of Remuneration for the year ended 30 June 2013

The remuneration for each Director and each of the other Key Management Personnel of the Company during the year ended 30 June 2013 was as follows:

30 June 2013	Short-term Employment Benefits		Post-Employment Benefits	Share-based Payments	
	Cash salary and fees $	Non-monetary benefits $	Superannuation Contribution $	Shares/Options $	Total $
Directors -					
Dr Roger Aston	58,125	-	5,231	-	63,356
Mr Daniel Pollock [2]	32,500	-	2,926	-	35,426
Mr Stephen Anastasiou [2, 3]	-	-	-	5,833 *	5,833
Prof. Colin Chapman [1]	15,625	-	1,406	-	17,031
Mr. Joseph Baini [1]	192,000	-	-	-	192,000
Dr Stewart Washer [1]	40,000	-	3,600	-	43,600
Dr Elane Zelcer [1]	45,000	-	4,052	-	49,052
	383,250	**-**	**17,214**	**5,833**	**406,298**
Other Key Management Personnel					
Mr Amos Meltzer	228,000	-	-	25,534	**253,534**
Mr Graeme Stevens	106,305	-	-	10,557	**116,862**
	334,305	**-**	**-**	**36,091**	**370,396**
	717,555	**-**	**17,214**	**41,924**	**776,694**

[1] These Directors resigned during or after the 2013 financial year on the dates disclosed earlier in this Directors Report.

[2] These Directors were appointed during the 2013 financial year on the dates disclosed earlier in this Directors Report.

[3] This Director is not remunerated for being a Director, but a related entity of this Director, Grandlodge Pty Ltd, is remunerated for business services provided to Immuron.

* These securities are yet to be issued as they are subject to shareholder approval which will be sought at the Company's Annual General Meeting in November 2013.

Details of Remuneration for the year ended 30 June 2012

The remuneration for each Director and each of the other Key Management Personnel of the Company during the year ended 30 June 2012 was as follows:

30 June 2012	Short-term Employment Benefits		Post-Employment Benefits	Share-based Payments	Total $
	Cash salary and fees $	Non-monetary benefits $	Superannuation Contribution $	Shares/Options $	
Directors					
Prof. Colin Chapman	62,500	-	5,625	-	68,125
Prof. Roy Robins-Browne [1]	23,333	-	2,100	-	25,433
Mr Simon Sallka [1]	26,250	-	2,363	-	28,613
Dr Elane Zelcer	45,000	-	4,050	-	49,050
Dr Strewart Washer [2]	16,667	-	1,500	-	18,167
Mr Joseph Baini [2]	313,400		-	21,447	334,847
Dr Roger Aston [2]	3,864	-	348	-	4,212
	491,014	**-**	**15,986**	**21,447**	**528,447**
Other Key Management Personnel					
Mr Amos Meltzer	230,800	-	-	15,500	246,300
Dr Grant Rawlin	102,900	-	-	4,440	107,340
Mr Graeme Stevens	138,925	-	-	4,440	143,365
	472,625	**-**	**-**	**24,380**	**497,005**
	963,639	**-**	**15,986**	**45,827**	**1,025,452**

[1] These Directors resigned during or after the 2012 financial year on the dates disclosed earlier in this Directors Report.

[2] These Directors were appointed during the 2012 financial year on the dates disclosed earlier in this Directors Report.

Share Based Payments

Shares and options may be issued or granted to key management personnel under the various share based compensation plans as set out in section D of this report.

Details of shares and options provided as part of the total remuneration paid to key management personnel are set out below. When exercisable, each option is convertible into one ordinary fully paid share of Immuron Limited.

No shares were granted to Directors in relation to remuneration during the 2013 or 2012 financial years.

Performance based Remuneration for the year ended 30 June 2013:

30 June 2013	Shares Issued in Lieu of Cash Payment for Salary/Fees $	Shares Issued Under ESOP $	Shares Issued in Lieu of Cash Bonus Payment $	Share Option Expense $	Total $
Mr Amos Meltzer	-	-	-	25,534	25,534
Mr Graeme Stevens	-	-	-	10,557	10,557
	-	**-**	**-**	**36,091**	**36,091**

Performance based Remuneration for the year ended 30 June 2012:

30 June 2012	Shares Issued in Lieu of Cash Payment for Salary/Fees $	Shares Issued Under ESOP $	Shares Issued in Lieu of Cash Bonus Payment $	Share Option Expense $	Total $
Mr Joseph Baini	-	-	-	21,447	21,447
Mr Amos Meltzer	-	-	-	15,500	15,500
Dr Grant Rawlin	-	-	-	4,440	4,440
Mr Graeme Stevens	-	-	-	4,440	4,440
	-	**-**	**-**	**45,827**	**45,827**

Additional Information in Respect of Options

No options were granted to Directors in relation to remuneration during the 2013 or 2012 financial years.

The relative proportions of remuneration that are linked to performance and those that are fixed are as follows:

	Fixed Remuneration		At Risk - STI		At Risk - LTI	
	2013	2012	2013	2012	2013	2012
Other Key Management Personnel						
Mr. Joseph Baini	-	79%	-	15%	-	6%
Mr Amos Meltzer	90%	94%	9%	-	1%	6%
Dr Grant Rawlin	-	96%	-	-	-	4%
Mr Graeme Stevens	91%	97%	8%	-	1%	3%

Section C: Share-based Compensation

(i) Shares

(a) Employee Share Plan

All permanent employees (excluding Executive Directors) who have been continuously employed by the Company for a period of at least one year are eligible to participate in the Plan. Employees may elect not to participate in the Plan.

Under the Plan, eligible employees may be granted up to $1,000 worth of fully paid ordinary shares in Immuron Limited annually for no cash consideration. The market value of the shares issued under the scheme, measured as the weighted average price at which the Company's shares are traded on the Australian Stock Exchange during the week leading up to and including the date of grant, is recognised as part of employee benefit costs in the period the shares are granted.

Offers under the Plan are at the discretion of the Company. Shares issued under the scheme may not be sold until the earlier of three years after issue or cessation of employment with the Company. In all other respects the shares rank equally with other fully-paid ordinary shares on issue.

The number of shares issued to participants in the Plan is the offer amount divided by the weighted average price at which the Company's shares are traded on the Australian Stock Exchange during the week up to and including the date of grant.

No shares were issued under this plan in the 2013 financial year (2012: Nil).

(b) Executive Officer Share Plan

At the 2007 annual general meeting the members agreed to the establishment of the Immuron Limited Executive Officer Share Plan (Plan). The Plan may involve the Company providing financial assistance for the purchase of its own shares in that no eligible employees are required to pay application monies for the shares issued.

Shares issued under this Plan are held in the name of a trustee on behalf of the eligible employees. A wholly owned subsidiary company was incorporated on 2 January 2008 for the sole purpose to act as the trustee under the Plan.

A brief summary of the Plan is as follows:

1. The Plan is available to all senior employees and Directors, both executive and non-executive, of Immuron Limited.

2. Eligible employees will be offered ordinary shares in the Company to be subscribed for, or acquired by the trustee on behalf of the employee. Shares held by the trustee for employees will be restricted shares in that the shares will not be transferred into the name of the employee until the earlier of, 10 years from date of issue, or the employee terminates their employment with the Company.

3. The shares issued under the Plan will rank equally with all other ordinary shares in the Company and are entitled to receive dividends and vote at general meetings of members.

4. No application monies are payable for shares issued under the Plan, unless the Board determine otherwise.

   No shares were issued under this Plan in the 2013 financial year (2012: Nil).

(c) Executive Share Option Plan (ESOP)

At the a General Meeting of shareholders held on 5 September 2011 shareholders approved the rules of the ESOP and authorised Directors to issue options at their discretion in accordance with the rules from time to time. Under the rules of the ESOP the Board may offer options to key management staff and consultants and in special circumstances may provide financial assistance to an entitled option holder to assist in the exercise of the ESOP options.

The aggregate number of shares that may be issued upon the exercise of the ESOP options, together with all other share purchase plans for eligible persons, shall not at any time exceed 5% of the total number of the Company's ordinary shares on issue.

During the year options were issued under the rules of the ESOP to the following key management personnel:

	Number of options granted during the year No.	Total Value of options at grant date $	Number of options vested during the year No.	Number of options lapsed during the year No.
Other Key Management Personnel				
Mr Amos Meltzer	2,500,000	17,427	625,000	-
	2,000,000	13,989	2,000,000	
Mr Graeme Stevens*	2,000,000	13,941	500,000	-
	500,000	3,497	500,000	

* Mr Graeme Stevens resigned from his employment at Immuron Limited on 19 April 2013, and accordingly, in August 2013, the Board resolved to cancel the remaining 1 million unvested options he held.

The terms of the above options were:

- The options were issued on 1 November 2012.
- One quarter of these options vested immediately upon being issued.
- The options then vest quarterly on the 1 July 2013, 1 July 2014, 1 July 2015.
- The options expire on 1 November 2017 and once vested, can be exercised at any date prior to their expiry date.
- The exercise price for each option is $0.04 (four cents)
- At the discretion of the Board, should the employee leave their employment with the Company, any unvested options will lapse.

(d) Executive Share Option Plan (ESOP)

The terms and conditions of each grant of options affecting remuneration in the current or future reporting period are as follows:

Grant date	Vesting date	Expiry date	Exercise price	Value per option at grant date	Performance achieved	% Vested
19 December 2011	19 December 2011	30 June 2014	$0.070	$0.0134	100%	100%
19 December 2011	28 June 2012	30 June 2014	$0.070	$0.0021	100%	100%
18 July 2012	immediately	30 June 2015	$0.040	$0.007	N/A	100%
1 November 2012	25% - 1 Nov 2012	1 Nov 2017	$0.040	$0.007	N/A	100%
1 November 2012	25% - 1 July 2013	1 Nov 2017	$0.040	$0.007	N/A	0%
1 November 2012	25% - 1 July 2014	1 Nov 2017	$0.040	$0.007	N/A	0%
1 November 2012	25% - 1 July 2015	1 Nov 2017	$0.040	$0.007	N/A	0%

The assessed fair value of options granted to personnel at their grant date is allocated equally over the period from grant date to vesting date, and the amount for the 2013 financial year is included in the remuneration table as set out in section B above. Fair values at grant date are determined using the Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option. The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publically available information.

All options when granted are granted for no consideration.

Section D: Employment Contracts of Key Management Personnel

At the date of this report, the employment conditions of the Interim Chief Executive Officer (CEO), Mr Amos Meltzer and other Key Management Personnel were formalised in contracts of employment. Mr Meltzer is employed under a contract, which commenced on 1 July 2013.

The employment contract of Mr Meltzer stipulates a termination period of one to two months. Any options not vested before ceasing employment may lapse in accordance with the Company's Executive Share Option Plan (ESOP).

Immuron Limited has a contract with The CFO Solution, a specialist public practice, focusing on providing back office support, financial reporting and compliance systems for listed public companies. Through this contact the services of Mr Phillip Hains and Mr Peter Vaughan are provided. The contract commenced on 1 April 2013 and can be terminated with three months' notice of either party.

Section E: Additional Information

Loans to Directors and Executives

No loans have been made to any Director, or any of their related entities, or any executive during the 2013 financial year (2012: $Nil).

This report is made in accordance with a resolution of Directors.

Dr Roger Aston	Mr Amos Meltzer
Independent Non-Executive Chairman	**Interim Chief Executive Officer (CEO)**

Dated: This the 27th Day of September 2013

Corporate Governance Statement

The Board of Directors of Immuron Limited ("the Company") is responsible for the corporate governance of the Company and guides and monitors the business and affairs of the Company on behalf of its shareholders.

The format of the Corporate Governance Statement is based on the Australian Stock Exchange Corporate Governance Council's ("the Council") "Corporate Governance Principles and Recommendations". In accordance with the Council's recommendations, the Corporate Governance Statement must contain certain specific information and must disclose the extent to which the Company has followed the guidelines during the period.

Where a recommendation has not been followed, that fact must be disclosed, together will the reasons for the departure. Immuron's Corporate Governance Statement is structured with reference to the Council's principles and recommendations, which are as follows:

Principle 1	Lay solid foundations for management and oversight
Principle 2	Structure the board to add value
Principle 3	Promote ethical and responsible decision making
Principle 4	Safeguard integrity in financial reporting
Principle 5	Make timely and balanced disclosure
Principle 6	Respect the rights of shareholders
Principle 7	Recognise and manage risk
Principle 8	Remunerate fairly and responsibly

Immuron's corporate governance practices were in place throughout the year ended 30 June 2012 and were, in the Company's assessment, fully compliant with the Council's recommendations with the exception of one recommendation, the establishment of a nomination committee. The reason for this departure from the recommendation is explained in the following section of this statement 'Structure of the Board'.

For further information on the corporate governance policies adopted by Immuron Limited, please refer to its website: www.immuron.com.

Principle 1: Lay solid foundations for management and oversight.

Role of the Board.

The primary role of the Board is to provide effective governance over the Company's affairs to ensure the interests of the shareholders are protected and the confidence of the investing market is maintained whilst having regard for the interests of all the stakeholders.

This role is exercised by the Board, as whole, and each Director exercising diligent attention to the affairs of the Company.

In particular the Board is responsible for:

1) Setting the Company's values and standards of conduct and ensuring that these are adhered to
2) Providing strategic direction and approving corporate strategic initiatives;
3) Oversight of the Company, including its control and accountability systems;
4) Appointing and removing the Chief Executive Office;
5) Reviewing and ratifying systems of risk management and internal compliance and controls, codes of conduct and legal compliance;

6) Monitoring senior management performance and ensuring appropriate resources are available;
7) Approving and monitoring the progress of major capital expenditure, capital management and acquisitions and divestitures;
8) Approving and monitoring financial and other reporting to shareholders and regulatory authorities.

To ensure that all new Board members understand what is expected of them, in addition to their obligations under the Corporation Law, the Company provides them with a document setting out the key terms and conditions relating to their appointment.

Role of Management.
Through the Chief Executive Officer, management is responsible to the Board for the:

1) Development and implementation of agreed corporate strategy and performance objectives;
2) Undertaking the day to day activities of the Company;
3) Identifying all matters to be included in a risk profile of the Company and ensuring that effective risk management systems are implemented and adhered to;
4) Observing the code of conduct;
5) Ensuring that the Board is fully informed of all matters which may have a material impact on the ability of the Company to meet its obligations.

Principle 2: Structure the Board to add value.

Board Composition.
The Board determines its size and composition, subject to the limits imposed by the Company's Constitution, which requires a minimum of three and a maximum of ten. Currently there are three (3) Directors.

The current Board comprises of three (3) Non-Executive Directors. Two of the Non-Executives are independent Directors who act independent of management and free of any business or other relationship that could materially interfere with the exercise of their unfettered and independent judgment.

Notwithstanding this, the Board recognises that in a small, specialised industry such as biotechnology, it is very desirable that board members have some industry background and therefore may not be completely independent. However, all Non-Executive directors are considered to be independent.

The skills, experience and expertise of each Director is set out in the attached Directors' Report.

The Board collectively and each Director individually may take, at the expense of the Company, such independent professional advice as is considered necessary to fulfil their relevant duties and responsibilities.

Board Committees
The Board operated one committee during the year to assist in the execution of its duties and to allow detailed consideration of complex issues. That committee was the Audit and Risks Committee.

The Audit and Risks Committee consists of the following Non-Executive Directors:

- Dr Daniel Pollock (Chairperson)
- Dr Roger Aston

Details of the above Directors qualifications and attendance at audit committee meetings are set out in the earlier in the Directors Report.

The Audit and Risks Committee operates in accordance with a charter established by the Board in February 2011.

The main responsibilities of the Committee are to:

- Determine the adequacy of the Company's administrative, operating and accounting controls and policies including;
  - Systems of internal control and management of risks, including the risks associated with the Company's production and R & D projects;
  - The Company's process for monitoring compliance with laws and regulations and its own code of business conduct.
  - Oversee and appraise the quality of the audits conducted by the Company's external auditors;
  - Maintain open lines of communication among the Board, management and external auditors to exchange views and information, as well as confirm their respective authority and responsibilities;
  - Serve as an objective party to review the financial information presented by management to the Board, shareholders and regulators; and
  - Report to the Board on matters relevant to the Committee's role and responsibilities.

- In fulfilling its responsibilities, the Committee:
  - Receives regular reports from management;
  - Meets with the external auditors at least twice a year and reviews any significant disagreements between the auditors and management irrespective of whether they have been resolved;
  - Review of the audit plan with the external auditors and evaluates the effectiveness of the external audit;
  - Reviews the process the Chief Executive Officer and Chief Financial Officer have in place to support their certifications to the Board.

The Committee has the authority, within the scope of its responsibilities, to seek and request any information it requires from any employee or external party.

The Company does not have separate committees covering nomination or remuneration matters as the tasks normally performed by these committees are carried out by the full Board. The Board believes that due to the size of the Company and its present stage of development, these functions are best handled by the Independent Non-Executive Directors Board. The Board will formally establish other committees, either permanent or ad hoc, as required by the Company's future development.

In addition, and for the reasons mentioned, the Board does not currently have a formal policy on selecting new Directors.

Principle 3: Promote ethical and responsible decision making.

The Company has adopted the Australian National Health and Medical Research Council guidelines on ethical research practices.

Code of Conduct

Immuron is guided in all its activities by respect for all its stakeholders including employees, shareholders, contractors, customers and suppliers.

The Board has articulated the Company's requirements for standards of conduct, from Directors and senior management, based on the following principles;

- Directors are subject to re-election every three years;
- The Chairman must be independent;
- Conflict of interest must be avoided wherever possible. If, for any reason, a potential conflict arises, the Director/employee must declare the conflict and absent themselves from all discussions and decisions on the relevant matter;
- Employees, consultants and Directors must respect the confidentiality of the Company's assets, including intellectual property, both during and after employment;
- The Company will comply with all relevant legislation and regulation;
- The Company will deal fairly with all its stakeholders;
- The Company will promote a culture of ethical behaviour, encouraging openness amongst employees, Directors and contractors.

Trading in Company Securities.

The Company reaffirmed its policy and procedures on securities trading in an announcement to the Australian Stock Exchange (ASX) on 29 December 2010.

Briefly the policy states that in respect of any designated officer, either directly or indirectly, is not to deal in the Company's securities at any time:

- When a designated officer is in possession of inside information; or
- Where the dealing is for short-term or speculative gain; or
- Within a period commencing 72 hours prior to and 72 hours after any announcement; or
- Within a period commencing 72 hours prior to and 72 hours after the announcement of the half year and annual financial results.

A designated officer includes Directors, key management employees, consultants, and their associates, and is not to communicate inside information or cause that information to be communicated to another person, or deal in securities of outside companies about which they may obtain inside information by virtue of their position at Immuron.

Each Director has entered into an agreement with the Company to provide information to allow the Company to notify the ASX of any share transaction within five business days.

The Audit and Risks Committee will periodically review the compliance with this policy and report any departures to the Board.

Diversity Policy

The Company is committed to increasing diversity amongst its employees, and not just in the area of gender diversity. Our workforce is employed based on the right person for the job regardless of their gender, age, nationality, race, religious beliefs, cultural background, sexuality or physical ability or appearance.

Executive and Board positions are filled by the best candidates available without discrimination. The Company is committed to increasing gender diversity within these positions when appropriate appointments become available. The Company is also committed to indentifying suitable persons within the organisation, and where appropriate opportunities exist, advance diversity to support the promotion of talented employees into management positions.

The Company has not set any gender specific diversity objectives as it believes that multicultural diversity is as equally important within its organisation.

The following table demonstrates the Company's gender diversity as at the date of this report:

	Number of Males	Number of Females
Directors	3	-
Key Management Personnel	1	-
Other Company Employees/Consultants	2	2

Principle 4: Safeguard integrity in financial reporting.

The Board regularly reviews the monthly financial reports and through the Audit and Risks Committee requires the Chief Executive Officer and the Chief Financial Officer, or other appropriate persons responsible for the management of the Company and financial matters, to provide written assurances in respect to the accuracy and compliance of the annual and half yearly published financial statements.

The auditor provides a certificate to the Company confirming their independence. Rotation of the auditor has proceeded as required by Law or Regulation. The Company currently has no intention of replacing the existing auditors; however should this arise it will make a selection following a competitive process. Non audit work is arranged based on cost and the needs of the Company.

Principle 5: Making timely and balanced disclosure.

As Immuron's shares are traded on the ASX the Company is very conscious that it has an obligation to ensure that the market is both fully and accurately informed about material matters by timely and balanced disclosure.

The Company Secretary has been nominated as the person responsible for communicating with the Australian Securities Exchange (ASX). This role includes responsibility for ensuring compliance with the continuous disclosure requirement in the ASX Listing Rules and overseeing and co-ordinating information disclosure to the ASX, analysts, brokers, shareholders, the media and the public.

The information disclosed will be factual and presented in a clear and balanced way. The Company has prepared and issued to all senior staff a written policy document on this matter and requires strict adherence to this policy.

Principle 6: Respect the rights of shareholders.

The Company is committed to respecting the rights of shareholders and facilitating the effective exercise of those rights.

This is achieved by;

- Effective and regular communications;
- Providing access to timely, balanced and understandable information about the Company and its current and future direction; and
- Facilitating easy participation at general meetings.

The Company's external auditor attends each annual general meeting and is available to answer any questions with regard to the conduct of the audit and their report.

Principle 7: Recognise and managing risk.

In addition to the usual business risks, the particular risks associated with the Company's activities are:

- Long lead times and high costs associated with biotech research, development and commercialisation;
- The low success rate of biotech research in Australia;
- Stringent health regulations which are subject to regular change;
- The high level of funding required over a long period of time;
- Securing and protecting the Company's intellectual property.

The Chief Executive Officer and the Chief Financial Officer have provided a statement to the Board that, in addition to the requirements of section 295A of the Corporations Act, the financial and other statements are founded on a sound system of risk management, internal compliance and controls and in so far that it relates to financial risk the procedures are operating effectively in all material aspects.

The Company also manages ongoing risk through the Audit and Risks Committee. The functions and responsibilities of that Committee are outlined earlier in this section of the report.

Due to the size of the Company, there is no internal audit function.

Principle 8: Remunerate fairly and responsibly.

The Board notes the Corporate Governance Council recognises that, for small companies, the efficiencies expected to flow from a formal committee structure may not be apparent. The Board agrees with this view.

The full Board will exercise these responsibilities and set the policies for remuneration of non- executive and executive Directors and senior management so as to comply with the Corporation Act, accounting standards and the ASX Listing Rules.

Remuneration for Executive Directors and staff is determined by reference to market rates.

From time to time employees and consultants are offered shares and options under plans previously agreed by shareholders.

In a Company at this stage of its development, the only meaningful performance target is the share price and the exercise price for such options which are set well in advance of the price at which the shares are trading at the time of issue and, for Executives, usually have a vesting period of up to three years.

As the number of options on issue at any one time is low and the price and exercise periods differ, the Board considers that the exercise of such options will have little or no effect on the Company's share price or Earnings per Share.

In setting remuneration for non-executive Directors, the Board will use the following principles;

- Non-Executive Directors shall be paid fees and superannuation plus supplements for committee work within the aggregate amount set by shareholders in general meeting (last set in 2005 at $350,000 for cash remuneration);
- Non-Executive Directors may participate in options arrangements subject to shareholder approval. The Board does not accept that options should not be given to non-executive Directors as it believes (and shareholders have previously agreed) that in an R&D company their particular expertise is vital to the team effort and therefore options are a valid incentive;
- Non-Executive Directors retirement payments are limited to compulsory employer superannuation;
- Bonuses will not be paid to non-executive Directors.

Details of remuneration paid to Directors and key management personnel are set out in the Directors Report in this Annual Report.

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Auditor's Independence Declaration

As lead auditor for the audit of Immuron Limited for the year ended 30 June 2013, I declare that to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) no contraventions of any applicable code of professional conduct in relation to the audit.

Jon Roberts
Partner
PricewaterhouseCoopers

Melbourne
27 September 2013

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Freshwater Place, 2 Southbank Boulevard, SOUTHBANK VIC 3006, GPO Box 1331, MELBOURNE VIC 3001
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Annual Financial Statements

For the year ended 30 June 2013

Statement of Comprehensive Income

For the year ended 30 June 2013

	Note	30 June 2013 $ AUD	30 June 2012 $ AUD
Revenue			
Total operating revenue	2	149,755	449,013
Total Revenue		**149,755**	**449,013**
Cost of goods sold		(88,940)	(262,083)
Gross profit		**60,815**	**186,930**
Other income	2	304,269	1,116,041
Expenses			
Amortisation expenses	3	(720,000)	(60,000)
Consulting, employee and director expenses	3	(944,761)	(1,422,374)
Corporate administration expenses	3	(551,048)	(592,753)
Depreciation expenses	3	(14,370)	(12,566)
Finance & contract termination costs	3	(602,168)	(110,592)
Marketing and promotion expenses	3	(8,625)	(56,021)
Research and development expenses	3	(1,001,157)	(1,229,646)
Travel and entertainment expenses	3	(35,393)	(116,539)
Impairment of inventory	3	(26,679)	-
Loss before tax		**(3,539,117)**	**(2,297,520)**
Income tax expense	4	-	-
Loss for the year		**(3,539,117)**	**(2,297,520)**
Other comprehensive income		-	-
Total comprehensive income for the year		**(3,539,117)**	**(2,297,520)**
Basic loss per share (cents per share)	6	(0.70)	(0.67)
Diluted loss per share (cents per share)	6	(0.70)	(0.67)

The accompanying notes form part of these financial statements.

Statement of Financial Position

As at 30 June 2013

	Note	30 June 2013 $ AUD	30 June 2012 $ AUD
ASSETS			
Current Assets			
Cash and cash equivalents	8	1,446,712	1,443,928
Trade and other receivables	9	15,438	204,752
Inventories	10	291,694	214,400
Other	11	84,046	356,131
Total Current Assets		**1,837,890**	**2,219,211**
Non-Current Assets			
Investments	12	1	31
Property, plant and equipment	13	8,154	18,457
Intangible assets	14	680,587	1,400,587
Total Non-Current Assets		**688,742**	**1,419,075**
TOTAL ASSETS		**2,526,632**	**3,638,286**
LIABILITIES			
Current Liabilities			
Trade and other payables	15	1,231,327	947,545
Financial liabilities	16	4,155	81,186
Total Current Liabilities		**1,235,482**	**1,028,731**
Non-Current Liabilities			
Financial liabilities	16	1,146,164	559,574
Total Non-Current Liabilities		**1,146,164**	**559,574**
TOTAL LIABILITIES		**2,381,646**	**1,588,305**
NET ASSETS		**144,986**	**2,049,981**
EQUITY			
Issued capital	18	31,357,697	30,024,787
Reserves	19	1,208,271	907,059
Accumulated Losses		(32,420,982)	(28,881,865)
TOTAL EQUITY		**144,986**	**2,049,981**

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the year ended 30 June 2013

	Share Capital $	Option Reserve $	Accumulated Losses $	Total $
Balance as at 30 June 2011	**27,721,517**	**595,207**	**(26,584,345)**	**1,732,379**
Total comprehensive income for the year:	**-**	**-**	**(2,297,520)**	**(2,297,520)**
Transactions with Equity holders in their capacity as equity holders:				
Shares issued net of issue costs	2,303,270	-	-	2,303,270
Options issued	-	171,009	-	171,009
Employee and consultants share options - Value of services	-	140,843	-	140,843
Balance at 30 June 2012	**30,024,787**	**907,059**	**(28,881,865)**	**2,049,981**
Total comprehensive income for the year:	**-**	**-**	**(3,539,117)**	**(3,539,117)**
Transactions with Equity holders in their capacity as equity holders:				
Shares issued net of issue costs	1,327,077	-	-	1,327,077
Shares to be issued	5,833	-	-	5,833
Options issued	-	250,061	-	250,061
Employee and consultants share options - Value of services	-	51,151		51,151
Balance at 30 June 2013	**31,357,697**	**1,208,271**	**(32,420,982)**	**144,986**

The accompanying notes form part of these financial statements.

Cash Flow Statement

For the year ended 30 June 2013

	30 June 2013 $ AUD	30 June 2012 $ AUD
Cash flows from operating activities		
Receipts from customers	323,464	802,970
Payments to suppliers and employees	(2,446,655)	(3,235,973)
Interest received	11,580	14,249
Interest and other costs of finance paid	(113,411)	(43,905)
Receipt of R&D tax refund	179,615	-
Net cash flows used in operating activities	**(2,045,407)**	**(2,462,659)**
Cash flows related to investing activities		
Payment for purchases of plant and equipment	(7,200)	(2,861)
Net cash flows used in investing activities	**(7,200)**	**(2,861)**
Cash flows related to financing activities		
Proceeds from issues of equity securities	1,863,810	2,300,252
Capital raising costs	(287,674)	(90,996)
Funds received from convertible debenture	479,255	949,378
Net cash flows from financing activities	**2,055,391**	**3,158,634**
Net increase/(decrease) in cash and cash equivalents	2,784	693,114
Cash and cash equivalents at the beginning of the year	1,443,928	750,814
Cash and cash equivalents at the end of the year	**1,446,712**	**1,443,928**

The accompanying notes form part of these financial statements.

Note 1. Summary of Significant Accounting Policies

Corporate Information

The financial report of Immuron Limited ('the Company', 'Immuron') for the year ended 30 June 2013 was authorised for issue in accordance with a resolution of the Directors on the 27th September 2013.

Immuron Limited is a listed public company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Stock Exchange (ASX).

The principal activity of the Company is a product development driven biopharmaceutical Company focused on the research and development of polyclonal antibodies for the treatment and prevention of major diseases.

Basis of Preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standards, required for a for-profit entity.

The financial report has been prepared on an accruals basis and is based on historical costs. The financial report is presented in Australian dollars, which is the Company's functional and presentation currency. All values are rounded to the nearest dollar unless otherwise stated.

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial statements and notes of the Company comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

Management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgements. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of Australian Accounting Standards that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable, in the relevant notes to the financial statements.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

Going Concern

At 30 June 2013, the Company's cash and cash equivalents amounted to $1,446,712 (2012: $1,443,928) and for the year ended 30 June 2013, the Company experienced an operating loss of $3,539,117 (2012: $2,297,520) and a net cash outflow of $2,045,407 (2012: $2,462,659) from operating activities and expenses associated with research and commercialisation programs.

For the 2014 financial year the Company has budgeted for operating cash outflows to exceed operating cash inflows as it continues its global commercialisation of Travelan and its various research programs. Although the Company is projecting losses and a net cash outflow from operations for the 2014 financial year, the Directors have taken a number of steps to reduce the level of recurring expenses whilst it continues to seek additional licensing arrangements for its Travelan and other products.

In order to fund the budgeted cash outflows for the period, from the 12 months of the date of this report, the Directors will need to achieve the following milestones;

- generate revenues from Travelan sales in Australia through the new direct-to-wholesalers sales model from 1 July 2013, in line with forecasts;
- generate new Travelan sales, in line with forecast, through licences entered into in the previous financial year and which are currently seeking regulatory approval in the various jurisdictions;
- enter into a new licensing agreement or option licensing agreement, which will include an upfront payment within the first half of the 2013 financial year, for the distribution of Travelan in the United States;
- achieve production and delivery schedules in order to meet forecast Travelan sales over the coming 12 month period in existing and new markets;
- receive a Research and Development tax refund claim in relation to the 2013 year. The company is also in the process of finalising the lodging of amended Research and Development refund claims in relation to the 2010-2012 financial years where additional prior year activities have now been identified as being claimable; and
- should the company not be successful in achieving the objectives outlined above within the timeframe forecasted or at values below that currently forecast, the company will seek to reduce uncommitted expenditures to operate within available funding and if required the directors will seek additional sources of funding above that already available.

There are significant risks associated with product development and regulatory approvals required by biotechnology companies, it is difficult to predict the timing and quantum of income from the commercialisation of products and technology and there are inherent uncertainties involved in raising funds from investors within forecasted timelines.

As a result of these matters there is material uncertainty that may cast significant doubt as to whether the Company will be able to continue as a going concern and realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial report.

However, the Directors are confident that the Company's planned initiatives will be successfully achieved and these will continue to provide adequate access to financial resources.

Accordingly, the Directors have prepared the financial statements on a going concern basis. As such, the financial statements do not include any adjustments as to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the entity not continue as a going concern.

Statement of Compliance

The financial report complies with Australian Accounting Standards as issued by the Australian Accounting Standards Board and International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

Amendments to Australian Accounting Standards

The following amending Standards have been adopted from 1 July 2012. Adoption of these Standards did not have any effect on the financial position or performance of the Company:

Ref	Title	Summary
AASB 2013-2	**Amendments to AASB 1038 – *Regulatory Capital***	This Standard makes amendments to AASB 1038 *Life Insurance Contracts* as a consequence of changes to the Australian Prudential Regulation Authority's reporting requirements relating to life insurers, particularly Prudential Standard LPS 110 *Capital Adequacy*, applicable from 1 January 2013. Primarily the amendments align terminology by changing references to 'solvency' in AASB 1038 to 'capital'. A related explanatory paragraph is also removed.
AASB 2010-8	**Amendments to Australian Accounting Standards - Deferred Tax: *Recovery of Underlying Assets* [AASB 112]**	These amendments address the determination of deferred tax on investment property measured at fair value and introduce a rebuttable presumption that deferred tax on investment property measured at fair value should be determined on the basis that the carrying amount will be recoverable through sale. The amendments also incorporate SIC-21 *Income Taxes - Recovery of Revalued Non-Depreciable Assets* into AASB 112.
AASB 2011-9	**Amendments to Australian Accounting Standards -Presentation of Other Comprehensive Income** **[AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049]**	This standard requires entities to group items presented in other comprehensive income on the basis of whether they might be reclassified subsequently to profit or loss and those that will not.

Other than the amended accounting standards listed above, all other accounting standards adopted by the Company are consistent with the most recent Annual Report for the year ended 30 June 2012.

The following Australian Accounting Standards and Interpretations have recently been issued or amended but are not yet effective and therefore have not been adopted by the Company for the annual reporting period ended 30 June 2013:

Reference	Title	Summary	Application date of standard	Impact on financial report	Application date
AASB 12	*Disclosure of Interests in Other Entities*	AASB 12 includes all disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. New disclosures have been introduced about the judgments made by management to determine whether control exists, and to require summarised information about joint arrangements, associates, structured entities and subsidiaries with non-controlling interests.	1 January 2013	No Impact	1 July 2013

Reference	Title	Summary	Application date of standard	Impact on financial report	Application date
AASB 13	*Fair Value Measurement*	AASB 13 establishes a single source of guidance for determining the fair value of assets and liabilities. AASB 13 does not change when an entity is required to use fair value, but rather, provides guidance on how to determine fair value when fair value is required or permitted. Application of this definition may result in different fair values being determined for the relevant assets. AASB 13 also expands the disclosure requirements for all assets or liabilities carried at fair value. This includes information about the assumptions made and the qualitative impact of those assumptions on the fair value determined. **Consequential amendments were also made to other standards via AASB 2011-8.**	1 January 2013	No Impact	1 July 2013
AASB 119	*Employee Benefits*	The main change introduced by this standard is to revise the accounting for defined benefit plans. The amendment removes the options for accounting for the liability, and requires that the liabilities arising from such plans is recognised in full with actuarial gains and losses being recognised in other comprehensive income. It also revised the method of calculating the return on plan assets. The revised standard changes the definition of short-term employee benefits. The distinction between short-term and other long-term employee benefits is now based on whether the benefits are expected to be settled wholly within 12 months after the reporting date. **Consequential amendments were also made to other standards via AASB 2011-10.**	1 January 2013	No Impact	1 July 2013
AASB 2012-2	*Amendments to Australian Accounting Standards - Disclosures - Offsetting Financial Assets and Financial Liabilities*	AASB 2012-2 principally amends AASB 7 *Financial Instruments: Disclosures* to require disclosure of the effect or potential effect of netting arrangements. This includes rights of set-off associated with the entity's recognised financial assets and liabilities on the entity's financial position, when the offsetting criteria of AASB 132 are not all met.	1 January 2013	No Impact	1 July 2013
AASB 2012-5	*Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle*	AASB 2012-5 makes amendments resulting from the 2009-2011 Annual Improvements Cycle. The standard addresses a range of improvements, including the following: ► Repeat application of AASB 1 is permitted (AASB 1) ► Clarification of the comparative information requirements when an entity provides a third balance sheet (AASB 101 *Presentation of Financial Statements*).	1 January 2013	No Impact	1 July 2013

Reference	Title	Summary	Application date of standard	Impact on financial report	Application date
AASB 2012-9	*Amendment to AASB 1048 arising from the withdrawal of Australian Interpretation 1039*	AASB 2012-9 amends AASB 1048 *Interpretation of Standards* to evidence the withdrawal of Australian Interpretation 1039 *Substantive Enactment of Major Tax Bills in Australia.*	1 January 2013	No Impact	1 July 2013
AASB 2011-4	*Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements [AASB 124]*	This amendment deletes from AASB 124 individual key management personnel disclosure requirements for disclosing entities that are not companies. It also removes the individual KMP disclosure requirements for all disclosing entities in relation to equity holdings, loans and other related party transactions.	1 July 2013	No Impact	1 July 2013
AASB 1053	*Application of Tiers of Australian Accounting Standards*	This standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements: (a) Tier 1: Australian Accounting Standards (b) Tier 2: Australian Accounting Standards - Reduced Disclosure Requirements Tier 2 comprises the recognition, measurement and presentation requirements of Tier 1 and substantially reduced disclosures corresponding to those requirements. The following entities apply Tier 1 requirements in preparing general purpose financial statements: (a) For-profit entities in the private sector that have public accountability (as defined in this standard) (b) The Australian Government and State, Territory and Local governments The following entities apply either Tier 2 or Tier 1 requirements in preparing general purpose financial statements: (a) For-profit private sector entities that do not have public accountability (b) All not-for-profit private sector entities (c) Public sector entities other than the Australian Government and State, Territory and Local governments. **Consequential amendments to other standards to implement the regime were introduced by AASB 2010-2, 2011-2, 2011-6, 2011-11, 2012-1, 2012-7 and 2012-11.**	1 July 2013	No Impact	1 July 2013

Reference	Title	Summary	Application date of standard	Impact on financial report	Application date
AASB 2012-3	*Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities*	AASB 2012-3 adds application guidance to AASB 132 *Financial Instruments: Presentation* to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement.	1 January 2014	No Impact	1 July 2014
Interpretation 21	*Levies*	This Interpretation confirms that a liability to pay a levy is only recognised when the activity that triggers the payment occurs. Applying the going concern assumption does not create a constructive obligation.	1 January 2014	No Impact	1 July 2014

Reference	Title	Summary	Application date of standard	Impact on financial report	Application date
AASB 9	*Financial Instruments*	AASB 9 includes requirements for the classification and measurement of financial assets. It was **further amended by AASB 2010-7** to reflect amendments to the accounting for financial liabilities. These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes are described below. (a) Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows. (b) Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument. (c) Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases. (d) Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows: ► The change attributable to changes in credit risk are presented in other comprehensive income (OCI) ► The remaining change is presented in profit or loss If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss. **Further amendments were made by AASB 2012-6** which amends the mandatory effective date to annual reporting periods beginning on or after 1 January 2015. AASB 2012-6 also modifies the relief from restating prior periods by amending AASB 7 to require additional disclosures on transition to AASB 9 in some circumstances. **Consequential amendments were also made to other standards as a result of AASB 9, introduced by AASB 2009-11 and superseded by AASB 2010-7 and 2010-10.**	1 Jan 2015	The company is still determining if there will be any potential impact	1 July 2015

Accounting Policies

The following is a summary of the material accounting policies adopted by the Company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Segment Reporting

The Company determines and presents operating segments based on the information that is internally provided to the Company's chief operating decision maker which has been identified as the Management Executive Team (MET). The MET consists of the Chief Executive Officer and other Senior Executives of the Company. The MET provides the strategic direction and management oversight of the day to day activities of the entity in terms of monitoring results, providing approval for research and development expenditure decisions and challenging and approving strategic planning for the business.

(b) Foreign Current Translation

Functional and Presentation Currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Australian dollars, which is the Company's functional and presentation currency.

Transactions and Balances

Transactions in foreign currencies are translated into the functional currency using the rates of exchange ruling at the date of each transaction. At balance date, amounts outstanding in foreign currencies are translated into the functional currency using the rate of exchange ruling at the end of the financial year. All gains and losses are brought to account in determining the profit or loss for the year.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of comprehensive income, within finance costs. All other foreign exchange gains and losses are presented in the statement of comprehensive income on a net basis within other income or other expenses.

(c) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

The Company recognises revenue when the amount of the revenue can be reliably measured, it is probable that the future economic benefits will flow to the entity and specific criteria have been met for each of the activities as described below. The amount of the revenue is not considered to be reliably measured until all contingencies relating to the sale have been resolved.

The following specific revenue criteria must be met before revenue is recognised:

(i) Sale of Goods and services – Significant risks and rewards of ownership of goods has passed to the buyer;

(ii) Interest – Interest revenue is recognised using the effective interest rate method,

(iii) License fees – All conditions in respect of granting the license have been met by both the Company and licensee.

(d) Government Grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to costs to be incurred are deferred or accrued such that they are recognised in the statement of comprehensive income over the period necessary to match them with the costs that they are intended to compensate.

(e) Income Tax

The income tax expense or revenue for the period is the tax payable or tax rebate receivable on the current period's taxable income adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred income tax is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither the accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax is realized or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

(f) Impairment of Assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

(g) Cash and Cash Equivalents

For cash flow statement presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

(h) Trade Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. Trade receivables are due for settlement no more than 30 days from the date of recognition.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payment (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short term receivables are not discounted if the effect of discounting is immaterial. The amount of the provision is recognised in the statement of comprehensive income.

(i) Inventories

Raw materials, work in progress and finished goods are stated at the lower of cost and net realisable value. Where appropriate, cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overheads expenditure, the latter being allocated on the basis of normal operating capacity.

Costs are assigned to individual items of inventory on basis of weighted average costs. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(j) Property, Plant & Equipment

Plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation on assets is calculated using the straight line method to allocate their cost, net of their residual values, over their estimated useful lives, as follows:

- Plant & Equipment (3 - 15 years)
- Computer Equipment (2 - 4 years)
- Furniture & Fittings (5 - 15 years)

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, annually.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 1(g)).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of comprehensive income.

(k) Intangible Assets

(i) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Company's share of the net identifiable assets of the acquired business at the date of acquisition. Goodwill is not amortised. Instead, goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

Goodwill is allocated to cash-generating units for the purpose of impairment testing.

(ii) Research & Development

Expenditure on research activities, undertaken with the prospect of obtaining new scientific or technical knowledge and understanding, is recognised in the statement of comprehensive income as an expense when it is incurred.

Expenditure on development activities, being the application of research findings or other knowledge to a plan or design for the production of new or substantially improved products or services before the start of commercial production or use, is capitalised if it is probable that the product or service is technically and commercially feasible, will generate probable economic benefits and adequate resources are available to complete development and cost can be measured reliably. Other development expenditure is recognised in the statement of comprehensive income as an expense as incurred.

(iii) Intellectual Property

The Company acquired certain provisional patent intellectual property from Hadasit Medical Research Services & Development Limited. The initial cost was capitalised and presented in the balance sheet as an intangible asset.

The realisation of the value attributed to this intangible asset will depend on the successful commercialisation of Immuron's potential products. The Directors note that there is always significant risk involved in the commercialisation of such products. During the prior year the estimated useful life of the asset was reviewed and its estimated life changed from an indefinite life to a finite life of two years which represented a change in accounting estimates which is recognised in the prior, current, and future years. The net effect of that change is set out in the Intangible Asset note to the accounts below.

(l) Trade and Other Payables

These amounts represent liabilities for goods and services provided to the entity prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method,

(m) Employee Benefits

(i) Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

(ii) Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity that match, as closely as possible, the estimate future cash flows.

(iii) Retirement benefit obligations

All employees of the Company are entitled to benefits on retirement from their own individual private superannuation plans.

(iv) Share-based payments

Share-based compensation benefits may be provided through the issue of fully paid ordinary shares under the Immuron Executive Officer Share Plan. Options are also granted to employees and consultants in accordance with the terms of their respective employment and consultancy agreements. Any options granted are made in accordance with the terms of the Company's Executive Share Option Plan (ESOP).

The fair value of options granted under employment and consultancy agreements are recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the options.

The fair value at grant date is determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the vesting and performance criteria, the impact of dilution, the non-tradeable nature of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

The fair value of the options granted excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each balance sheet date, the entity revises its estimate of the number of options that are expected to become exercisable. The employee benefit expense recognised each period takes into account the most recent estimate. The impact of the revision to original estimates, if any, is recognised in the statement of comprehensive income with a corresponding adjustment to equity.

Upon the exercise of options, the balance of the share-based payments reserve relating to those options is transferred to contributed equity.

(v) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits.

The Company recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

Benefits falling due more than 12 months after balance sheet date are discounted to present value.

(n) Investments and Other Financial Assets

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity.

(o) Interest Bearing Loans and Borrowings

All loans and borrowings are initially recognised at cost, being the fair value of the consideration received net of issue costs associated with the borrowing. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any issue costs and any discount or premium on settlement.

Convertible Debentures
The company issued convertible debentures denominated in Canadian dollars. The conversion option is an embedded derivative, the fair value of which is calculated on initial recognition using an option pricing model. The difference between the consideration received and the fair value of the embedded derivative represents the carrying value of the host debt. The embedded derivative is classified on the balance sheet as a derivative liability and is re-measured each reporting period at fair value. Changes in the fair value are recognised in the statement of comprehensive income. The host foreign currency debt is measured subsequent to initial recognition at amortised cost using the effective interest rate method and then retranslated at each subsequent reporting date.

(p) Contributed Equity
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(q) Earnings per Share
(i) Basic earnings per share
Basic earnings per share is calculated by dividing the profit or loss attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the full year, adjusted for bonus elements in ordinary shares issued during the full year.

(ii) Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(r) Goods and Services Tax (GST)
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST recoverable or payable. The net amount of GST recoverable from, or payable to, the taxation authorities is included with other receivable or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flow arising from investing or financing activities which are recoverable for, or payable to, the taxation authorities are presented as operating cash flow.

(s) Leases
Leases in which a significant portion of the risk and reward of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

Note 2. Revenue and other income

	30 June 2013 $	30 June 2012 $
Revenue		
Revenue from Operating Activities		
Sales of goods	149,755	449,013
Total Revenue from Operating Activities	**149,755**	**449,013**
Other Income		
Interest Received	11,580	14,248
R&D Tax Concession Refunds	179,615	254,508
Gains/(losses) on convertible debenture derivative	113,074	367,070
License fee revenue	-	480,215
Total Other Income	**304,269**	**1,116,041**
Total Revenue and Other Income	**454,024**	**1,565,054**

Note 3. Expenses

	30 June 2013 $	30 June 2012 $
Expenses		
a) Amortisation expenses	**720,000**	**60,000**
b) Consulting, employee and director expenses		
Consulting expenses	76,892	407,815
Employee related expenses	653,587	791,797
Director expenses	214,282	222,762
	944,761	**1,422,374**
c) Corporate administration expenses		
Audit and accounting fees	115,459	100,431
Insurances	49,920	58,874
Foreign exchange loss	65,403	21,415
Corporate administration expenses	304,661	412,033
Provision for doubtful debts	15,605	-
	551,048	**592,753**
d) Depreciation expenses	**14,370**	**12,566**
e) Marketing and promotion expenses	**8,625**	**56,021**
f) Research and development expenses	**1,001,157**	**1,229,646**
g) Travel and entertainment expenses	**35,393**	**116,539**
h) Finance & contract termination costs	**602,168**	**110,592**
i) Write-down of inventory carry value	**26,679**	**-**
Total Expenses	**3,904,201**	**3,600,491**

Note 4. Income Tax Benefit

		30 June 2013 $	30 June 2012 $
(a)	**The prima facie tax on loss from ordinary activities before the loss is reconciled to the income tax as follows:**		
	Loss before income tax	**(3,539,117)**	**(2,297,520)**
	Income tax benefit calculated at 30% (2011:30%)	(1,061,735)	(689,256)
	Tax effect of amounts which are not deductable in calculating income tax:		
	- impairment and amortisation expenses	216,000	18,000
	- share-based payments expenses	15,345	42,253
	- other expenses not deductable	696	1,367
	Tax benefit associated with R&D rebates	(53,885)	(76,352)
	Net gain on convertible debenture derivative	8,880	(95,929)
	Temporary differences not recognised	18,659	(10,584)
	Deferred tax assets relating to tax losses not recognised	856,039	810,501
	Income tax reconciliation in Profit or Loss	**-**	**-**
(b)	**Unrecognised Deferred Tax Assets and Liabilities**		
	Deferred tax assets and liabilities are attributable to the following:		
	- Tax losses	7,457,546	6,601,507
	- Doubtful debts	5,732	1,050
	- Provision for stock write-down	7,589	15,772
	- Accruals	22,299	11,606
	- Employee provisions	-	1,367
	- Black Hole expenditure	3,581	12,275
	- Patents	387,169	365,641
	Net deferred tax assets not recognised	**7,883,916**	**7,009,218**
(c)	**Components of Tax**		
	The components of tax expense comprise:		
	- Current tax	-	-
	- Deferred tax	-	-
	Net deferred tax assets not recognised	**-**	**-**

The Company has estimated tax losses of $24,858,487, a Deferred Tax Asset of $7,457,546 (at 30%) that has not been recognised in the Financial Statements, refer to Note 1(e).

Note 5. Key Management Personnel Compensation

(a) Key Management Personnel Compensation

The aggregate compensation made to Directors and other Key Management Personnel of the Company is set out below:

	30 June 2013 $	30 June 2012 $
Short-term employee benefits	717,555	963,640
Post-employment benefits	17,214	15,985
Share-based payments	42,713	45,827
	777,483	**1,025,452**

(b) Options and Rights

The number of options over ordinary shares in the Company held during the financial year by each Director of Immuron Limited and other Key Management Personnel of the Company, including their personally related parties, are set out below:

30 June 2013		Balance at Start of the Year	Granted as Compensation	Options Exercised	Options Expired or Lapsed	Net Change Other	Balance at Year End	Vested and Exercisable	Unvested
Directors									
Dr Roger Aston		-	-	-	-	4,216,667	4,216,667	4,216,667	-
Mr Daniel Pollock		100,000	-	-	-	1,166,667	1,266,667	1,266,667	-
Mr Stephen Anastasiou		-	-	-	-	66,666,667 [1]	66,666,667	66,666,667	-
Prof. Colin Chapman	*	-	-	-	-	382,520	382,520	382,520	-
Mr. Joseph Baini	*	783,334	-	-	-	477,500	1,260,834	1,260,834	-
Dr Stewart Washer	*	-	-	-	-	150,000	150,000	150,000	-
Dr Elane Zelcer	*	4,440	-	-	-	561,645	566,085	566,085	-
Other Key Management Personnel									
Mr Amos Meltzer		2,000,000	4,500,000	-	-	-	6,500,000	4,625,000	1,875,000
Mr Graeme Stevens	*	602,667	2,500,000	-	-	-	3,102,667	1,602,667	1,500,000
TOTAL		**4,014,251**	**9,000,000**	**-**	**-**	**73,621,666**	**86,635,917**	**83,260,917**	**3,375,000**

30 June 2012	Balance at Start of the Year	Granted as Compensation	Options Exercised	Options Expired or Lapsed	Net Change Other	Balance at Year End	Vested and Exercisable	Unvested
Directors								
Dr Roger Aston	-	-	-	-	-	-	-	-
Prof. Colin Chapman	-	-	-	-	-	-	-	-
Mr. Joseph Baini	1,250,000	-	-	(500,000)	33,334	783,334	783,334	-
Dr Stewart Washer	-	-	-	-	-	-	-	-
Dr Elane Zelcer	-	-	-	-	4,440	4,440	4,440	-
Prof. Roy Robins-Browne	-	-	-	-	-	-	-	-
Mr Simon Sallka	-	-	-	-	-	-	-	-
Other Key Management Personnel								
Mr Amos Meltzer	-	2,000,000	-	-	-	2,000,000	2,000,000	-
Mr Graeme Stevens	-	500,000	-	-	102,667	602,667	602,667	-
Dr Grant Rawlin	-	500,000	-	-	23,810	523,810	523,810	-
TOTAL	**1,250,000**	**3,000,000**	**-**	**(500,000)**	**164,251**	**3,914,251**	**3,914,251**	**-**

* Denotes a person(s) who was appointed or resigned during the year. Please see the Directors Report for more information (Page 8 and 9).

[1] Securities issued in accordance with Rights Issue Underwriting approved by shareholders at the Company's General Meeting held on 17 May 2013.

(c) Shareholders

The number of shares in the Company held during the financial year by each Director and other Key Management Personnel of the Company, including their personally related parties, are set out below.

No shares granted to Directors and Key Management Personal during the period as compensation.

30 June 2013		Balance at Start of the Year	Granted as Compensation	Shares Expired or Lapsed	Net Change Other	Balance at Year End
Directors	-					
Dr Roger Aston		200,000	-	-	12,922,482	13,122,482
Mr Daniel Pollock	*	500,000	-	-	5,918,993	6,418,993
Mr Stephen Anastasiou	*	-	-	-	151,626,929 [1]	151,626,929
Prof. Colin Chapman	*	1,530,080	-	-	-	1,530,080
Mr. Joseph Baini	*	950,000	-	-	1,210,000	2,160,000
Dr Stewart Washer	*	600,000	-	-	900,000	1,500,000
Dr Elane Zelcer	*	579,910	-	-	2,162,113	2,742,023
Other Key Management Personnel						
Mr Amos Meltzer		1,322,342	-	-	-	1,322,342
Mr Graeme Stevens	*	3,120,781	-	-	-	3,120,781
Dr Grant Rawlin	*	1,355,071	-	-	-	1,355,071
		10,158,184	**-**	**-**	**174,740,517**	**184,898,701**

30 June 2012		Balance at Start of the Year	Granted as Compensation	Shares Expired or Lapsed	Net Change Other	Balance at Year End
Directors	-					
Dr Roger Aston	*	-	-	-	200,000	200,000
Prof. Colin Chapman	*	1,280,080	-	-	250,000	1,530,080
Mr. Joseph Baini	*	500,000	-	-	450,000	950,000
Dr Stewart Washer	*	-	-	-	600,000	600,000
Dr Elane Zelcer	*	66,591	-	-	513,319	579,910
Prof. Roy Robins-Browne	*	401,035	-	(401,035)		-
Mr Simon Sallka	*	1,444,211	-	(1,444,211)		-
Other Key Management Personnel						
Mr Amos Meltzer		417,342	-	-	905,000	1,322,342
Mr Graeme Stevens	*	2,312,781	-	-	808,000	3,120,781
Dr Grant Rawlin	*	1,283,643	-	-	71,428	1,355,071
		7,705,683	**-**	**(1,845,246)**	**3,797,747**	**9,658,184**

[1] Securities issued in accordance with Rights Issue Underwriting approved by shareholders at the Company's General Meeting held on 17 May 2013.

(d) Loans to Directors and Other Key Management Personnel

There were no loans made to Directors or other Key Management Personnel of the Company, including their personally related parties.

(e) Other transactions with Other Key Management Personnel

There were no further transactions with Directors or other Key Management Personnel not disclosed above or in Note 23.

Note 6. Loss per Share

	30 June 2013	30 June 2012
Basic loss per share (cents)	(0.70)	(0.67)
Diluted loss per share (cents)	(0.70)	(0.67)
a) Net loss used in the calculation of basic and diluted loss per share	($3,539,117)	($2,297,520)
b) Weighted average number of ordinary shares outstanding during the period used in the calculation of basic and diluted loss per share*	507,002,055	344,688,598

	30 June 2013	30 June 2012
Basic loss per share (cents)	(0.70)	(0.67)
Diluted loss per share (cents)	(0.70)	(0.67)

Note 7. Auditor's Remuneration

	30 June 2013 $	30 June 2012 $
Remuneration of the auditor of the Company, PWC for:		
— auditing or reviewing the financial report of the Group	115,459	88,431
— other assurance services	-	12,000
	115,459	**100,431**

Note 8. Cash and Cash Equivalents

	30 June 2013 $	30 June 2012 $
<u>Cash at bank:</u>		
- Cash at bank (AUD$)	1,397,102	721,057
- Cash at bank (CAD$)	49,610	722,871
	1,446,712	**1,443,928**

The interest rates on cash at bank and term deposits at 30 June 2013 was 1.25% and 3.75% (2012: 1.75% and 4.65%).

Note 9. Trade and Other Receivables

	30 June 2013 $	30 June 2012 $
Current		
Trade Receivables	34,543	208,252
Provision for impairment of receivables	(19,105)	(3,500)
	15,438	**204,752**

All trade receivables are non-interest bearing.

Note 10. Inventories

	30 June 2013 $	30 June 2012 $
Raw materials and stores (at net realisable value)	291,694	214,400
	291,694	**214,400**

Write down of inventories to net realisable value recognised as an expense during the year ended 30 June 2013 amounted to $26,679 (2012: $12,500) and is included in raw materials and consumables used in the statement of comprehensive income.

Note 11. Other Assets

	30 June 2013 $	30 June 2012 $
Current		
Prepayments	-	33,537
Security bond	-	6,417
Other debtors	84,046	316,177
	84,046	**356,131**

Note 12. Controlled Entities

	Note	30 June 2013 $	30 June 2012 $
Shares in subsidiary company (at cost)	14a	1	1
Shares in associate (at cost)	14b	-	30
		1	**31**

	Country of Incorporation	Percentage of Ownership* 30 June 2013	30 June 2012
Parent Entity:			
Immuron Limited	Australia	-	-
Subsidiaries of Immuron Limited:			
Anadis ESP Pty Ltd	Australia	100%	100%

14a Shares in subsidiary company – Anadis ESP Pty Ltd

This company is a wholly owned subsidiary of Immuron Limited and was formed for the sole purpose to act as trustee for the Immuron Limited Executive Officer Share Plan Trust. All costs associated with the operations of this company are borne by Immuron Limited. Consolidated accounts have not been prepared as the net assets of Anadis ESP Pty Ltd are not material.

14b Shares in Associate Company

This investment represents a 50% holding in Immuron Ltd, a company incorporated in Israel. The other 50% shareholder is Hadasit Medical Research Services & Development Ltd. The company was formed as a special purpose vehicle to apply for specific research grants. No grants have been obtained up to 30 June 2013.

This investment was sold to Hadasit Medical Research Services & Development Ltd on 30 September 2012 for $nil consideration.

Note 13. Plant and Equipment

	30 June 2013 $	30 June 2012 $
Plant & Equipment		
At cost	288,315	339,785
Accumulated depreciation	(287,966)	(336,461)
	349	**3,324**
Computer Equipment		
At cost	24,019	25,809
Accumulated depreciation	(24,019)	(18,076)
	-	**7,733**
Furniture & Fittings		
At cost	34,177	45,437
Accumulated amortisation	(26,372)	(38,037)
Total Leasehold Improvements	**7,805**	**7,400**
Total Plant and Equipment	**8,154**	**18,457**

	Plant & Equipment $	Computer Equipment $	Furniture & Fittings $	Total $
Balance as at 1 July 2011	**4,930**	**12,957**	**10,275**	**28,162**
Additions	-	2,861	-	2,861
Depreciation expense	(1,606)	(8,085)	(2,875)	(12,566)
Disposals of assets	-	-	-	-
Exchange adjustments	-	-	-	-
Carrying amount as at 30 June 2012	**3,324**	**7,733**	**7,400**	**18,457**
Additions	-	-	-	-
Depreciation expense	(2,975)	(7,733)	(3,930)	(14,638)
Disposals of assets	-	-	4,335	4,335
Exchange adjustments	-	-	-	-
Carrying amount as at 30 June 2013	**349**	**-**	**7,805**	**8,154**

Note 14. Intangibles

	30 June 2013 $	30 June 2012 $
<u>Intellectual Property</u> (Acquired)		
At cost	1,460,587	1,460,587
Less accumulated depreciation	(780,000)	(60,000)
Net carrying value	**680,587**	**1,400,587**

	Acquired Intellectual Property
Carrying amount as at 30 June 2011	**1,460,587**
Additions	-
Amortisation	(60,000)
Carrying amount as at 30 June 2012	**1,400,587**
Amortisation	(720,000)
Carrying amount as at 30 June 2013	**680,587**

The intellectual property was acquired from Hadasit Medical Research Services and Development Limited the consideration for which was the issue of 56,484,023 fully paid shares.

During June 2012, the estimated useful life of the intellectual property was reviewed in accordance with applicable accounting standards, and the estimated life was determined as having a finite life of two years, which remains unchanged as at 30 June 2013. This equates to an amortisation charge of $60,000 per month.

For financial year 2012, only one month of amortisation ($60,000) was recognised under the new treatment, as opposed to the current financial year 2013 where 12 months have been recognised ($720,000).

As detailed in the in the financial year 2012 annual report, assuming that the asset is held to the end of its currently assessed useful life, the amortisation charge for the financial year ended 30 June 2014 will be $680,587, hence fully ammortising the original cost value of the Intellectual Property's at cost value.

Note 15. Trade and Other Payables

	30 June 2013 $	30 June 2012 $
Current		
Trade payables	779,188	413,419
Accrued expenses	332,084	315,935
Other payables	120,055	218,191
	1,231,327	**947,545**

Note 16. Financial Liabilities

	30 June 2013 $	30 June 2012 $
Secured convertible debenture:		
Current		
Value of convertible debenture derivative	4,155	81,186
	4,155	**81,186**
Non-Current		
Host debt borrowing - tranche one	696,294	559,574
Host debt borrowing - tranche two	449,870	-
	1,146,164	**559,574**
	1,150,319	**640,760**

The face value of the convertible debenture at 30 June 2013 is $AU1,428,645 ($CAD1.5M) which may (at the option of the holder) be converted into equity at a price of AU 4.73cents per share which is higher than the share price as at 30 June 2013.

Based on the face value of $AU1,428,645, approximately 30,203,911 fully paid ordinary shares would be issued on the full conversion of borrowing into equity which following allotment would approximate 2.83% of the ordinary shares on issue at 30 June 2013.

The maturity date for repayment of the borrowing, or the conversion into equity, is no later than 23 December 2014. Interest is payable on the borrowing at a fixed rate of 10% per annum.

The convertible debenture is secured by a fixed and floating charge over certain of the Company's assets and future milestone and royalty receipts under existing and future license and distribution agreements.

The respective values of the assets pledged as security as at 30 June 2013 are as follows:

	30 Jun 2013 $
Fixed charge	
Cash and cash equivalents	1,446,712
Floating charge	
Trade and other receivables and other assets (excluding IP)	107,639
Inventories	291,694
	1,846,045

Note 17. Commitments and Contingencies

	Note	30 June 2013 $	30 June 2012 $
Lease commitments not recognised in the financial statements:			
- not later than 12 months		2,872	5,834
Stock purchase commitments not recognised in the financial statements:			
- not later than 12 months	(a)	376,301	-
		379,173	**5,834**

(a) Stock purchase commitments not recognised in the financial statements pertains to the balance of the contract outstanding and not yet payable to the colostrum production supplier Synlait.

Other commitments

The Company has a commitment to pay consulting fees to Professor Yaron Ilan (the Company's Medical Director) in accordance with a consultancy agreement. The agreement commenced in September 2009 and is for a maximum period of three years at a monthly fee of $US5,000 per month. The agreement is currently extended on a monthly basis can be terminated by providing one month's notice.

Prof. Ilan is the inventor of IMM-124E for the treatment of NASH and is a recognised expert in this field. Immuron works closely with Prof. Ilan to develop IMM-124E as well as other Immuron proprietary products.

The Company entered into an ARC linkage research agreement with Monash University under which the Company has agreed to contribute to the C. difficile research project. The total amount of the contribution is $268,901 over a three year period of which $87,429 has been expensed in the current year.

Contingent liability

The Company received grant funds in previous years totaling $142,016 from the State Government of Victoria under the terms of the Vistec Grant. Under the terms of the grant agreement, the Company has the obligation to repay the grant monies received upon the receipt of any funds from the commercial exploitation of the technology developed under the grant project.

Therefore, a contingent liability exists in respect of the amount up to $142,016 if the Company receives any future proceeds from the commercialisation of the grant technology of the same amount.

Note 18. Contributed Equity

	30 June 2013		30 June 2012	
	No.	$	No.	$
Fully Paid Ordinary Shares				
Balance at beginning of year	414,096,557	30,024,787	325,714,800	27,721,517
Share issued during the year	621,353,586	1,864,812	88,381,757	2,569,024
Value of options issued transferred to options reserve	-	-	-	(174,758)
Shares to be issued	-	5,833	-	-
Transaction costs relating to share issues (Cash-based)		(287,674)	-	(90,996)
Transaction costs relating to share issues (Non-cash)		(250,061)		-
Total Issued Capital	**1,035,450,143**	**31,357,697**	**414,096,557**	**30,024,787**

Share movements during the year ended 30 June 2013:

Date	Details	No.	Issue Price ($)	Total Value ($)
6 Feb 2013	Issue of shares to consultant in lieu of cash payment for services rendered	83,500	0.012	1,002
6 May 2013	Issue of shares under Share Purchase Plan to eligible shareholders	601,886,363	0.003	1,805,659
20 May 2013	Issue of shares to Directors pursuant to their underwriting of the Share Purchase Plan as approved by shareholders at the General Meeting held on 17 May 2013	19,383,723	0.003	58,151
		621,353,586		**$ 1,864,812**

Share movements during the year ended 30 June 2012:

Date	Details	No.	Issue Price ($)	Total Value ($)
25 Aug 2011	Issue of shares for cash consideration	7,380,000	0.070	516,600
25 Aug 2011	Value of options issued transferred to options reserve	-	-	(27,552)
8 Nov 2011	Issue of shares in lieu of cash payment for services rendered	7,613,663	0.070	532,957
30 Nov 2011	Issue of shares in lieu of cash payment for services rendered	1,010,504	0.069	70,000
30 Nov 2011	Value of options issued transferred to options reserve	-	-	(50,956)
27 Apr 2012	Issue of shares in lieu of cash payment for services rendered	30,725,000	0.020	614,500
8 Jun 2012	Issue of shares in lieu of cash payment for services rendered	19,275,000	0.020	385,500
8 Jun 2012	Value of options issued transferred to options reserve	-	-	(96,250)
18 Jun 2012	Issue of shares for cash consideration under Share Purchase Plan	22,102,500	0.020	442,050
29 Jun 2012	Issue of shares in lieu of cash payment for services rendered	275,090	0.027	7,417
		88,381,757		**2,394,266**

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. At shareholder meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands. The ordinary shares have no par value.

Note 19. Reserves

Nature and Purpose of the Reserve

The option reserve recognises the proceeds from the issue of options over ordinary shares and the expense recognised in respect of share based payments.

	30 June 2013		30 June 2012	
	No.	$	No.	$
Options over fully paid ordinary shares				
Balance at beginning of year	24,887,480	907,059	4,565,928	595,207
Options over ordinary shares issued during the year	281,341,882	283,241	23,478,695	290,405
Option expense recorded over the vesting period	-	17,971	-	21,447
Lapse of options due to nil exercise	(16,368,785)	-	(3,157,143)	-
Total Reserves	**289,860,577**	**1,208,271**	**24,887,480**	**907,059**

Option reserve movements during the year ended 30 June 2013:

Date	Details	No.	Issue Price ($)	Total Value ($)
1 Jul 2012	Expiry of unlisted options	(658,785)	-	-
18 Jul 2012	Value of options previously issued, expensed during current period	3,000,000	0.007	20,983
24 Jul 2012	Issue of options under entitlement bonus issue	103,524,381	-	-
31 Aug 2012	Expiry of unlisted options	(2,460,000)	-	-
15 Nov 2012	Issue of unlisted ESOP options to employees	7,000,000	0.002	12,197
20 May 2013	Options issued to underwriters of the Share Purchase Plan	155,317,501	0.002	250,061
31 May 2013	Expiry of unlisted options	(750,000)	-	-
30 Jun 2013	Value of options previously issued, expensed during current period	-	-	17,971
		264,973,097		**301,212**

Option reserve movements during the year ended 30 June 2012:

Date	Details	No.	Issue Price ($)	Total Value ($)
25 Aug 2011	Free attaching options on 1:3 basis for each new share issued under Non-Renounceable Rights Issue	2,460,000	0.011	27,553
8 Nov 2011	Free attaching options on 1:3 basis for each new share issued under Non-Renounceable Rights Issue	2,549,685	0.019	47,206
8 Nov 2011	Issue of options in lieu of cash payment for services rendered	202,545	0.019	3,750
19 Dec 2011	Issue of unlisted options under the ESOP	4,000,000	0.007	29,870
31 Jan 2012	Expiry of unlisted options	(500,000)	-	-
31 May 2012	Expiry of unlisted options	(2,657,143)	-	-
8 Jun 2012	Free-attaching options issued	12,500,000	-	96,250
29 Jun 2012	Options issued in lieu of cash payment for services rendered	579,736	-	28,813
29 Jun 2012	Options issued in lieu of cash payment for services rendered	1,186,729	-	56,963
30 Jun 2012	Value of options previously issued, expensed during current period	-	-	21,447
		20,321,552		**311,852**

The options outstanding as at 30 June 2013 were as follows:

Class	ASX Code	Date of Expiry	Exercise Price	No. Under Option
Listed Options	IMCO	15 December 2013	$0.1200	2,752,230
Listed Options	IMCOA	30 April 2015	$0.0400	116,024,381
Unlisted Options	IMCSO	30 June 2014	$0.0700	4,000,000
Unlisted Options	IMCSO1	30 June 2015	$0.0400	3,000,000
Unlisted Options	IMCSO2	1 November 2017	$0.0400	7,000,000
Unlisted Options	IMCRM1	30 November 2021	$0.0497	579,736
Unlisted Options	IMCRM2	17 January 2022	$0.0480	1,186,729
Unlisted Options	IMCAI	31 March 2016	$0.0100	155,317,501

As at the date of this report, none of the above options had been exercised post 30 June 2013.

Note 20. Segments Reporting

Primary Reporting Format - Business Segments

The entity has identified its operating segments based on the internal reports that are reviewed and used by the executive management team in assessing performance and determining the allocation of resources.

The executive management team considers the business from both a product and a geographic perspective and has identified three reportable segments.

Management has determined that the business segments of research, development and commercialisation (R & D) and hyperimmune products are the main business segments used for internal reporting purposes to the Management Executive Team.

Other items of income and expense not directly attributable to those two segments are disclosed as a corporate cost segment. Income from license fees is classified as income from commercialisation activities and is included in the R & D segment.

The Board assesses the performance of the operating segments at a number of operating levels including adjusted EBITDA. This measurement excludes the effects of certain expenditure from the operating segments such as depreciation, amortisation and finance costs.

The reportable segments are based on aggregated operating segments determined by similarity of expenses, where expenses in the reportable segments exceed 10% of the total expenses for either the current and/or previous reporting period.

30 June 2013	R&D $	HyperImmune Products $	Corporate $	Total $
Segment Revenue				
Revenue from external customers	-	149,755	-	149,755
R&D tax offset refund	179,615	-	-	179,615
Interest revenue	-	-	11,580	11,580
Other gains/(losses)	-	-	113,074	113,074
Total Segment Revenue	**179,615**	**149,755**	**124,654**	**454,024**
Segment Expenses				
Segment Expenses	(1,001,157)	(88,940)	(2,903,044)	(3,993,141)
Total Segment Expense	**(1,001,157)**	**(88,940)**	**(2,903,044)**	**(3,993,141)**
Income Tax Expense				-
Net Result	**(821,542)**	**60,815**	**(2,778,390)**	**(3,539,117)**
Assets				
Segment assets	680,587	291,694	1,554,351	2,526,632
Total Assets	**680,587**	**291,694**	**1,554,351**	**2,526,632**
Liabilities				
Segment liabilities	(670,381)	(200,488)	(1,510,777)	(2,381,646)
Total Liabilities	**(670,381)**	**(200,488)**	**(1,510,777)**	**(2,381,646)**

30 June 2012	R&D $	HyperImmune Products $	Corporate $	Total $
Segment Revenue				
Revenue from external customers	-	448,494	-	448,494
License fees from external customers	480,215	-	-	480,215
R&D tax offset refund	254,508	-	-	254,508
Interest revenue	-	-	14,248	14,248
Other gains/(losses)	-	-	367,589	367,589
Total Segment Revenue	**734,723**	**448,494**	**381,837**	**1,565,054**
Segment Expenses				
Segment Expenses	(1,572,484)	(261,565)	(2,028,525)	(3,862,574)
Total Segment Expense	**(1,572,484)**	**(261,565)**	**(2,028,525)**	**(3,862,574)**
Income Tax Expense	-	-	-	-
Net Loss	**(837,761)**	**186,929**	**(1,646,688)**	**(2,297,520)**
Assets				
Segment assets	1,674,597	456,620	1,507,069	3,638,286
Total Assets	**1,674,597**	**456,620**	**1,507,069**	**3,638,286**
Liabilities				
Segment liabilities	(366,840)	(149,368)	(1,072,097)	(1,588,305)
Total Liabilities	**(366,840)**	**(149,368)**	**(1,072,097)**	**(1,588,305)**

Note 21. Cash Flow Information

(a) Reconciliation of cash flow from operations with loss after income tax

	30 Jun 2013 $	30 Jun 2012 $
Net Loss for the year	**(3,539,117)**	**(2,297,520)**
Add back depreciation expense	14,370	12,566
Add back amortisation expense	720,000	60,000
Add (Gain) /Loss on debenture derivative	(113,765)	(367,589)
Effective Interest Rate Adjustment on borrowings	143,365	47,827
Add equity-based payments for nil consideration	57,986	214,510
Add back profit or loss on sale of asset	3,134	-
(Increases)/Decreases in Accounts Receivable	189,314	(171,158)
(Increases)/Decreases in Other Current Assets	194,791	(183,504)
Increases/(Decreases) in Accounts Payable	284,515	222,209
Net cash flows used in operating activities	**(2,045,407)**	**(2,462,659)**

(b) Non-cash financing and investing activities

See Note 22 for details regarding issues of options to employees and for details surrounding the issue of shares to suppliers. Expenses associated with share based payments are included in share based payment expenses and R&D expenses.

Note 22. Share-based Payments

Executives and consultants may be provided with longer-term incentives through the Company's Executive Share and Option Plan (ESOP), to allow the executives and consultants to participate in, and benefit from, the growth of the Company as a result of their efforts and to assist in motivating and retaining these key employees over the long term.

(a) Options Issued under the ESOP

The following table illustrates the number and weighted average exercise price of and movement in share options issued under the scheme during the year:

	30 June 2013		30 June 2012	
	No. of Options	Weighted Average Exercise Price $	No. of Options	Weighted Average Exercise Price $
Outstanding at the beginning of the year	4,000,000	0.07	-	-
Granted	10,000,000	0.04	4,000,000	0.07
Forfeited	-	-	-	-
Exercised	-	-	-	-
Expired	-	-	-	-
Outstanding at year-end	**14,000,000**	**0.051**	**4,000,000**	**0.07**
Exercisable at year-end	5,750,000	0.061	4,000,000	0.07

The options outstanding at 30 June 2013 have a weighted average remaining contractual life of 3.25 years.

(b) Vesting Terms of Options

The following summarises information about options held by employees and Directors as at 30 June 2013:

Issue Date	Number of Options	Vesting Conditions	Expiry Date	Exercise Price $
28 June 2012	4,000,000	Milestone Based	30 June 2014	$0.07
18 July 2012	3,000,000	Nil	30 June 2015	$0.04
1 Nov 2012	7,000,000	25% per annum	1 Nov 2017	$0.04

June 2012 Options

Each of the options with a grant date of 28 June 2012, entitle the holder to purchase one ordinary share in Immuron Limited at an exercise price of $0.07. These options will deemed to have vested upon completion of certain prerequisite conditions being achieved specific to each individual staff member to the satisfaction and discretion of the Board.

Due to the exercise price of these options being considerably higher than the current share price, it is unlikely that these options will be exercised into new fully paid ordinary shares before their expiry date.

July 2012 Options

The options with an issue date of 18 July 2012, entitle the holder to purchase one ordinary share in Immuron Limited at an exercise price of $0.04. There are no performance conditions attached to the options. The options were deemed to have been fully vested on their date on issue.

Due to the exercise price of these options being considerably higher than the current share price, it is unlikely that these options will be exercised into new fully paid ordinary shares before their expiry date.

November 2012 Options

The options with an issue date of 1 November 2012, entitle the holder to purchase one ordinary share in Immuron Limited at an exercise price of $0.04. There are no performance conditions attached to the options as the options vest accordingly to the following anniversary dates:

- 25% of the total quantum of these options issued vested immediately upon issue
- 25% of the total quantum of these options issued vest on 1 July 2013
- 25% of the total quantum of these options issued vest on 1 July 2014
- 25% of the total quantum of these options issued vest on 1 July 2015

Due to the exercise price of these options being considerably higher than the current share price, it is unlikely that these options will be exercised into new fully paid ordinary shares before their expiry date.

(c) Deemed Valuation of Options

The fair value of the options granted under the Company's Executive Share and Option Plan (ESOP) is estimated as at the grant date using a binominal model taking into account the terms and conditions upon which the options were granted.

June 2012 Options

The following table lists the inputs to the model used to determine the weighted average value of the options expensed during the year:

Vesting date	Upon achievement of set milestones
Dividend yield	-
Expected volatility	29%
Risk-free interest rate	4.25%
Expected life of option (years)	3 years
Option exercise price	$0.07
Weighted average share price at grant date	$0.06
Value per option	$0.0075

At 30 June 2013 the market share price was $0.004.

The expected life of the option is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

July 2012 Options

The following table lists the inputs to the model used to determine the weighted average value of the options expensed during the year:

Vesting date	18 July 2012
Dividend yield	-
Expected volatility	74%
Risk-free interest rate	3.25%
Expected life of option (years)	2.95 years
Option exercise price	$0.04
Weighted average share price at grant date	$0.021
Value per option	$0.007

At 30 June 2013 the market share price was $0.004.

The expected life of the option is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

November 2012 Options

The following table lists the inputs to the model used to determine the weighted average value of the options expensed during the year:

Vesting date	
Dividend yield	-
Expected volatility	70%
Risk-free interest rate	3.25%
Expected life of option (years)	5 years
Option exercise price	$0.04
Weighted average share price at grant date	$0.017
Value per option	$0.007

At 30 June 2013 the market share price was $0.004.

The expected life of the option is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

Note 23. Related Party Transactions

Transactions between related parties are on normal commercial terms and conditions no more favorable than those available to other parties unless otherwise stated.

The transactions with related parties are as follows:

	30 June 2013 $	30 June 2012 $
<u>Services rendered by Grandlodge Pty Ltd to Immuron Ltd:</u> Grandlodge is a marketing, warehousing and distribution logistics company which is part-owned and operated by Mr Stephen Anastasiou who is a Non-Executive Director of Immuron Limited. Mr Peter Anastasiou and Mr David Plush are the other fellow owners of Grandlodge Pty Ltd whom are also major shareholders of Immuron Limited. Commencing on 1 June 2013, Grandlodge was contracted on commercial market arms-length terms to provide their services for $70,000 per annum. These fees will be payable in new fully paid ordinary shares in Immuron Limited at a set price of $0.004 per share representing Immuron Limited's share price at the commencement of the agreement. The shares to be issued to Grandlodge as compensation in lieu of cash payment for the services rendered under this agreement, will be subject to the prior approval of Immuron shareholders before they are allotted. Grandlodge will also be reimbursed in cash for all reasonable costs and expenses incurred in accordance with their scope of works under the agreement, unless both parties agree to an alternative method of payment. The agreement is cancellable by either party upon providing the other party with 30 days written notice of the termination of the agreement.		
Service fees paid to Grandlodge Pty Ltd during the year:	-	-
Outgoings reimbursed to Grandlodge Pty Ltd during the year:	-	-
Total paid by the Company to Grandlodge Pty Ltd during the year:	**-**	**-**
As at 30 June 2013, the Company owed Grandlodge Pty Ltd:	$5,833	-

Note 24. Financial Risk Management Objectives and Policies

(a) Financial Instruments

The Company's financial instruments consist of cash and cash equivalents, trade and other receivables and trade and other payables:

	30 Jun 2013 $	30 Jun 2012 $
Cash and cash equivalents	1,446,712	1,443,928
Trade and other receivables	15,438	204,752
Trade and other payables	1,231,327	947,545
Financial liabilities	1,150,319	640,760

(b) Risk Management Policy

The Board is responsible for overseeing the establishment and implementation of the risk management system, and reviews and assesses the effectiveness of the Company's implementation of that system on a regular basis.

The Board and Senior Management identify the general areas of risk and their impact on the activities of the Company, with Management performing a regular review of:

- the major risks that occur within the business;
- the degree of risk involved;
- the current approach to managing the risk; and
- if appropriate, determine:
  - any inadequacies of the current approach; and
  - possible new approaches that more efficiently and effectively address the risk.

Management report risks identified to the Board through the monthly Operations Report.

The Company seeks to ensure that its exposure to undue risk which is likely to impact its financial performance, continued growth and survival is minimised in a cost effective manner.

(c) Significant Accounting Policy

Details of significant accounting policies and methods adopted, including the criteria for recognition, the basis for measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 1 to the financial statements.

The carrying amounts of cash and cash equivalents, trade and other receivables, trade and other payables and financial liabilities represents their fair values determined in accordance with the accounting policies disclosed in Note 1.

Interest revenue on cash and cash equivalents and foreign exchange movements on trade and other receivables and trade and other payables are disclosed in Note 2 and Note 3.

(d) Capital Risk Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value.

In order to maintain or achieve an optimal capital structure, the Company may issue new shares or reduce its capital, subject to the provisions of the Company's constitution. The capital structure of the Company consists of equity attributed to equity holders of the Company, comprising contributed equity, reserves and accumulated losses disclosed in Notes 18 and 19.

By monitoring undiscounted cash flow forecasts and actual cash flows provided to the Board by the Company's Management the Board monitors the need to raise additional equity from the equity markets.

(e) Financial Risk Management

The main risks the Company is exposed to through its operations are interest rate risk, foreign exchange risk, credit risk and liquidity risk.

Interest Rate Risk

The Company is exposed to interest rate risks via the cash and cash equivalents that it holds. Interest rate risk is the risk that a financial instruments value will fluctuate as a result of changes in market interest rates. The objective of managing interest rate risk is to minimise the Company's exposure to fluctuations in interest rate that might impact its interest revenue and cash flow.

To manage interest rate risk, the Company locks a portion of the Company's cash and cash equivalents into term deposits. The maturity of term deposits is determined based on the Company's cash flow forecast.

Interest rate risk is considered when placing funds on term deposits. The Company considers the reduced interest rate received by retaining cash and cash equivalents in the Company's operating account compared to placing funds into a term deposit. This consideration also takes into account the costs associated with breaking a term deposit should early access to cash and cash equivalents be required.

The Company's exposure to interest rate risk and the weighted average interest rates on the Company's financial assets and financial liabilities is as follows:

There has been no change to the Company's exposure to interest rate risk or the manner in which it manages and measures its risk in the year ended 30 June 2013.

30 June 2013	Weighted Average Effective Interest Rate %	Floating Interest Rate $	Fixed Interest Rate within Year $	Fixed Interest Rate 1 to 2 years $	Non-Interest Bearing $	Total $	Carrying Value in Statement of Financial Position $
Financial Assets							
Cash and cash equivalents	2.60%	1,446,712	-	-	-	1,446,712	1,446,712
Trade and other receivables		-	-	-	15,438	15,438	15,438
Total Financial Assets		**1,446,712**	**-**	**-**	**15,438**	**1,462,150**	**1,462,150**
Financial Liabilities							
Trade and other payables		-	-	-	1,231,327	1,231,327	1,231,327
Financial liabilities		-	155,808	1,635,984	-	1,791,792	1,146,164
Total Financial Liabilities		**-**	**-**	**-**	**1,231,327**	**3,023,119**	**2,377,491**

30 June 2012	Weighted Average Effective Interest Rate %	Floating Interest Rate $	Fixed Interest Rate within Year $	Fixed Interest Rate 1 to 5 years $	Non-Interest Bearing $	Total $	Carrying Value in Statement of Financial Position $
Financial Assets							
Cash and cash equivalents	3.40%	1,443,928	-	-	-	1,443,928	1,443,928
Trade and other receivables		-	-	-	204,752	204,752	204,752
Total Financial Assets		**1,443,928**	**-**	**-**	**204,752**	**1,648,680**	**1,648,680**
Financial Liabilities							
Trade and other payables		-	-	-	947,545	947,545	947,545
Financial liabilities		-	48,026	1,104,601	-	1,152,627	559,574
Total Financial Liabilities		**-**	**48,026**	**1,104,601**	**947,545**	**2,100,172**	**1,507,119**

The Company has conducted a sensitivity analysis of the Company's exposure to interest rate risk. The analysis shows that if the Company's interest rate was to fluctuate as disclosed below and all other variables had remained constant, then the interest rate sensitivity impact on the Company's loss after tax and equity would be as follows:

	(Higher) / Lower 30 Jun 2013 $	(Higher) / Lower 30 Jun 2012 $
AUD/CAD: 2013: +7.96% (2012: +7.00%)	12,402	6,724
AUD/CAD: 2013: -7.96% (2012: -7.00%)	(12,402)	(6,724)

Foreign Currency Risk

The Company is exposed to foreign currency risk via the trade and other receivables and trade and other payables that it holds. Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company aims to take a conservative position in relation to foreign currency risk hedging when budgeting for overseas expenditure however, the Company does not have a policy to hedge overseas payments or receivables as they are highly variable in amount and timing, due to the reliance on activities carried out by overseas entities and their billing cycle.

The following financial assets and liabilities are subject to foreign currency risk:

	30 Jun 2013 $	30 Jun 2012 $
Trade and other payables (AUD/USD)	351,745	155,508
Trade and other payables (AUD/NZD)	220,009	-
Financial liabilities (AUD/CAD)	1,146,164	559,575

Foreign currency risk is measured by regular review of our cash forecasts, monitoring the dollar amount and currencies that payment are anticipated to be paid in. The Company also considers the market fluctuations in relevant currencies to determine the level of exposure. If the level of exposure is considered by Management to be too high, then Management has authority to take steps to reduce the risk.

Steps to reduce risk may include the acquisition of foreign currency ahead of the anticipated due date of an invoice, or may include negotiations with suppliers to make payment in our functional currency, or may include holding receipted foreign currency funds in a foreign currency denominated bank account to make future payments denominated in that same currency. Should Management determine that the Company consider taking out a hedge to reduce the foreign currency risk, they would need to seek Board approval.

The Company conducts some activities outside of Australia which exposes it to transactional currency movements, where the Company is required to pay in a currency other than its functional currency.

There has been no change in the manner the Company manages and measures its risk in the year ended 30 June 2013.

The Company is exposed to fluctuations in the United States, Canadian, and New Zealand dollars. Analysis is conducted on a currency by currency basis using sensitivity variables.

The Company has conducted a sensitivity analysis of the Company's exposure to foreign currency risk. The analysis shows that if the Company's exposure to foreign currency risk was to fluctuate as disclosed below and all other variables had remained constant, then the foreign currency sensitivity impact on the Company's loss after tax and equity would be as follows:

	(Higher) / Lower 30 Jun 2013	(Higher) / Lower 30 Jun 2012
Cash and trade payables:		
AUD/USD: 2013: +2.00% (2012: +2.40%)	57,106	18,661
AUD/USD: 2013: -2.00% (2012: -2.40%)	(57,106)	(18,661)
AUD/NZD: 2013: +7.00% (2012: N/A)	19,075	-
AUD/NZD: 2013: -7.00% (2012: N/A)	(19,075)	-
Financial liabilities:		
AUD/CAD: 2013: +7.96% (2012: +7.00%)	91,565	44,853
AUD/CAD: 2013: -7.96% (2012: -7.00%)	(91,565)	(44,853)

Credit Risk

The Company is exposed to credit risk via its cash and cash equivalents and trade and other receivables. Credit risk is the risk that a counter-party will default on its contractual obligations resulting in a financial loss to the Company. To reduce risk exposure for the Company's cash and cash equivalents, it places them with high credit quality financial institutions.

The Company's major ongoing customers are the large pharmaceutical companies for the distribution of Travelan and other Hyperimmune products, and Government bodies for the receipt of GST refunds and Research and Development Tax Concession amounts due to the Company from the Australian Tax Office.

The Company has a policy that limits the credit exposure to customers and regularly monitors its credit exposure. The Board believe that the Company does not have significant credit risk at this time in respect of its trade and other receivables.

The Company has analysed its trade and other receivables below:

	0-30 days $	31-60 days $	61-90 days $	90+ days $
2013 Trade and other receivables	15,438	-	-	19,105
2012 Trade and other receivables	189,147	-	-	19,105

A provision has been placed against the 90+ days outstanding liability due to its uncertainty of recovery. It has been determined not to permanently write this amount off as the parties are continuing to negotiate a settlement amount.

Liquidity Risk

The Company is exposed to liquidity risk via its trade and other payables and its interest bearing convertible note debenture.

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet the commitments associated with its financial instruments. Responsibility for liquidity risk rests with the Board who manage liquidity risk by monitoring undiscounted cash flow forecasts and actual cash flows provided to them by the Company's Management at Board meetings to ensure that the Company continues to be able to meet its debts as and when they fall due.

Contracts are not entered into unless the Board believes that there is sufficient cash flow to fund the additional activity. The Board considers when reviewing its undiscounted cash flow forecasts whether the Company needs to raise additional funding from the equity markets.

The Company has analysed its trade and other payables below:

	0-30 days $	31-60 days $	61-90 days $	90+ days $
2013 Trade and other payables	1,195,127	34,853	1,232	115
2012 Trade and other payables	746,230	159,888	29,768	11,661

Note 25. Events after the Balance Date

15 July 2013 - Immuron issued 31,746,031 unlisted options exercisable at $0.0075 per option on or before 30 June 2016 to employees and consultants of the Company under the current ESOP plan.

There have not been any matters or circumstances, other than those referred to above and in the financial statements or notes thereto, that have arisen since the end of the financial year, which significantly affected, or may significantly affect, the operations of Immuron Limited, the results of those operations or the state of affairs of Immuron Limited in future financial years.

Note 26. Company Details

The registered office of the Company is:

Suite 1, 1233 High Street, Armadale, Victoria, Australia 3143.

The principal place of business of the Company is:

Level 1, 18 Kavanagh Street, Southbank, Victoria, Australia 3006.

Directors' Declaration

The Directors of the Company declare that:

In the opinion of the Directors:

1. the financial statements and notes, as set out on pages 15 to 73 are in accordance with the Corporations Act 2001 and:
   a. comply with Accounting Standards and the Corporations Regulations 2001; and
   b. give a true and fair view of the financial position as at 30 June 2013 and of the performance for the year ended on that date of the Company;
   c. the financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 1.
2. in the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving the declarations required to be made to the Directors in accordance with Section 295A of the Corporations Act 2011 for the financial year ended 30 June 2013.

For and on behalf of the Board;

Dr Roger Aston
Independent Non-Executive Chairman

Mr Amos Meltzer
Interim Chief Executive Officer (CEO)

Dated: This the 27th Day of September 2013

Independent auditor's report to the members of Immuron Limited

Report on the financial report

We have audited the accompanying financial report of Immuron Limited (the company), which comprises the statement of financial position as at 30 June 2013, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

PricewaterhouseCoopers, ABN 52 780 433 757
Freshwater Place, 2 Southbank Boulevard, SOUTHBANK VIC 3006, GPO Box 1331, MELBOURNE VIC 3001
T: 61 3 8603 1000, F: 61 3 8603 1999, www.pwc.com.au

pwc

Auditor's opinion

In our opinion:

(a) the financial report of Immuron Limited is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the company's financial position as at 30 June 2013 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and

(b) the company's financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Material Uncertainty Regarding Continuation as a Going Concern

Without qualifying our opinion, we draw attention to Note 1 in the financial report. Note 1 highlights the company is dependent on successfully achieving new product sales forecasts and entering a new licensing agreement to fund budgeted cash outflows. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern, and therefore the entity may be unable to realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial report.

Report on the Remuneration Report

We have audited the remuneration report included in pages 15 to 23 of the directors' report for the year ended 30 June 2013. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion

In our opinion, the remuneration report of Immuron Limited for the year ended 30 June 2013, complies with section 300A of the *Corporations Act 2001*.

PricewaterhouseCoopers

PricewaterhouseCoopers

J.P.R.

Jon Roberts
Partner

Melbourne
27 September 2013

Shareholder Information (As at 27 September 2013)

Number of Holders of Equity Securities

Ordinary Shares

1,035,450,143 fully paid ordinary shares are held by 1,846 individual holders.
All ordinary shares carry one vote per share.

Distribution of Ordinary Fully Paid Shareholders:

Holding Ranges	Ordinary Shares No. of Holders	Ordinary Shares Total Units
1 - 1,000	93	48,230
1,001 - 5,000	317	979,024
5,001 - 10,000	249	2,122,536
10,001 - 100,000	610	26,156,679
100,001 +	577	1,006,143,674
Totals	**1,846**	**1,035,450,143**
Unmarketable parcels	1,312	34,146,235

Twenty Largest Ordinary Fully Paid Shareholders:

	Shareholders	Number	%
1	GRANDLODGE PTY LTD	101,626,929	9.81
2	CHIMAERA CAPITAL LIMITED	71,250,000	6.88
3	MR PETER ANASTASIOU + MRS KRISTINE PATRICIA ANASTASIOU <ANASTASIOU SUPER FUND A/C>	66,700,000	6.44
4	HADASIT MEDICAL RESEARCH SERVICES & DEVELOPMENT LTD	59,164,094	5.71
5	CAPITAL CONCERNS PTY LIMITED <LOGUE FAMILY SUPER FUND A/C>	54,627,723	5.28
6	FIFTY-FIFTH LEPRECHAUN PTY LTD <THE ANDRIA A/C>	50,000,000	4.83
7	MR DAVID ANTHONY + MRS ANN LOUISE PLUSH <PLUSH SF A/C>	33,363,000	3.22
8	DR RUSSELL KAY HANCOCK	25,000,000	2.41
9	INSYNC INVESTMENTS PTY LTD <WEEKLEY SUPER FUND NO 1 A/C>	21,000,000	2.03
10	G & N LORD SUPERANNUATION PTY LTD <GNR SF A/C>	20,380,234	1.97
11	MR HAMISH SALMON + MRS BRIGETTE MCGUIRE <SALMON FAMILY SF A/C>	16,000,000	1.55
12	MRS JACLYN STOJANOVSKI + MR CHRIS RETZOS + MRS SUSIE RETZOS <RETZOS EXECUTIVE S/F A/C>	15,000,000	1.45
13	WESTPARK OPERATIONS PTY LTD <WESTPARK OPERATIONS UNIT>	15,000,000	1.45
14	DR ROGER ASTON	12,922,482	1.25
15	TEXAS WOODS PTY LTD	11,586,400	1.12
16	ADVANCE PUBLICITY PTY LTD <THE IZMAR FAMILY A/C>	11,170,000	1.08
17	HALLAM DRAINAGE PTY LTD	10,300,000	0.99
18	KIRZY PTY LTD <SPRINGDALE A/C>	10,000,000	0.97
19	SOMNUS PTY LTD <SOMNUS SUPERANNUATION A/C>	10,000,000	0.97
20	ALAVEN CONSUMER HEALTHCARE INC	9,017,229	0.87
	Total	**624,108,091**	**60.28**
	Total balance of remaining holders	411,342,052	39.72
	TOTAL ON ISSUE	**1,035,450,143**	**100.00**

Shareholder Information (As at 27 September 2013) *(continued...)*

Listed Options (IMCO)
2,752,230 options exercisable at $0.12 per option on or before 15 December 2013 are held by 176 individual holders. Each listed option, upon exercise, entitles the holder to one fully paid ordinary share.

Distribution of Optionholders:

Holding Ranges	Ordinary Shares No. of Holders	Ordinary Shares Total Units
1 - 1,000	69	26,473
1,001 - 5,000	44	110,916
5,001 - 10,000	22	163,983
10,001 - 100,000	38	1,236,548
100,001 +	3	1,214,310
Totals	**176**	**2,752,230**

Twenty Largest Listed Optionholders:

Optionholders		Number	%
1	HADASIT MEDICAL RESEARCH SERVICES & DEVELOPMENT LTD	893,357	32.46
2	CCZ CORPORATE FINANCE PTY LTD	214,286	7.79
3	NAVIGATOR AUSTRALIA LTD <MLC INVESTMENT SETT A/C>	106,667	3.88
4	YIMBOON PTY LTD <STEVENS RETIREMENT FUND A/C>	100,000	3.63
5	MR JOHN SPEEDIE	88,172	3.20
6	KROEGER ENTERPRISES PTY LTD <KEVT UNIT A/C>	72,528	2.64
7	R B KEENAN SUPERANNUATION PTY LTD <R B KEENAN SUPER FUND A/C>	71,433	2.60
8	ROGER GEORGE DAVIS	66,667	2.42
9	MR LLOYD D'SOUZA	59,167	2.15
10	MR DONALD LOGAN & MR DAVID LOGAN <SWANHILL COMPSERV P/L A/C>	58,718	2.13
11	PRIVATE CLIENT ADVISERS PTY LTD	53,334	1.94
12	MRS MARIA LORANDI	50,385	1.83
13	DEAVIN FAMILY SUPER FUND PTY LTD <DEAVIN FAMILY S/F A/C>	40,100	1.46
14	PASTIS PTY LTD <SUPERANNUATION FUND A/C>	37,911	1.38
15	A S MUNN (CONSULTANTS) PTY LTD <SUPER FUND ACCOUNT>	33,334	1.21
16	CHRIS ROBERTS ENTERPRISES PTY LTD <NASON SUPER FUND A/C>	33,334	1.21
17	EXEC FACTOR PTY LTD	33,334	1.21
18	SPRINGFIELD (PT) PTY LTD <TOMAMICHEL FAMILY A/C>	26,667	0.97
19	MRS GLORIA FAY CHAPMAN & MR ATHOL MURRAY CHAPMAN <GF & AM CHAPMAN S/F A/C>	26,048	0.95
20	MR DONALD ALEXANDER LOGAN <SHCS SUPER A/C>	25,385	0.92
	Total	**2,090,827**	**75,97**
	Total balance of remaining holders	2,752,230	24.03
	TOTAL ON ISSUE	**2,752,230**	**100.00**

Listed Options (IMCOA)
116,024,381 options exercisable at $0.04 per option on or before 30 April 2015 are held by 1,843 individual holders. Each listed option, upon exercise, entitles the holder to one fully paid ordinary share.

Distribution of Optionholders:

Holding Ranges	Ordinary Shares No. of Holders	Total Units
1 - 1,000	357	178,779
1,001 - 5,000	527	1,411,264
5,001 - 10,000	196	1,433,038
10,001 - 100,000	568	21,047,061
100,001 +	195	91,954,239
Totals	**1,843**	**116,024,381**

Twenty Largest Listed Optionholders:

	Optionholders	Number	%
1	HADASIT MEDICAL RESEARCH SERVICES & DEVELOPMENT LTD	14,791,024	12.75
2	CAPITAL CONCERNS PTY LIMITED <LOGUE FAMILY SUPER FUND A/C>	8,656,931	7.46
3	MR HAMISH SALMON	2,500,000	2.15
4	ALAVEN CONSUMER HEALTHCARE INC	2,254,308	1.94
5	HALLAM DRAINAGE PTY LTD	1,550,000	1.34
6	MR JOSEF HAHN	1,549,951	1.34
7	RAKIO PTY LTD <PIEKARSKI FOOTSCRAY A/C>	1,437,542	1.24
8	DR RUSSELL KAY HANCOCK	1,400,000	1.21
9	MR MARCUS ALLEN KATALINIC	1,398,274	1.21
10	G & N LORD SUPERANNUATION PTY LTD <GNR SF A/C>	1,250,000	1.08
11	SANDHURST TRUSTEES LTD <JMFG CONSOL A/C>	1,242,500	1.07
12	MR DAVID A HAMILTON	1,198,761	1.03
13	BLAU HOLDINGS PTY LTD	1,185,000	1.02
14	MR ANDREW SAUL TELKES	1,072,302	0.92
15	TREVOR MEYER MANAGEMENT PTY LTD <MEYER S/F A/C>	1,000,000	0.86
16	MR MARK HENRY COOMBE-TENNANT	818,750	0.71
17	ADVANCE PUBLICITY PTY LTD <THE IZMAR FAMILY A/C>	800,000	0.69
18	INSYNC INVESTMENTS PTY LTD <WEEKLEY SUPER FUND NO 1 A/C>	800,000	0.69
19	DR IAN HAMILTON CRICK	773,672	0.67
20	MRS JACLYN STOJANOVSKI + MR CHRIS RETZOS + MRS SUSIE RETZOS <RETZOS EXECUTIVE S/F A/C>	769,118	0.66
	Total	**46,448,133**	**40.03**
	Total balance of remaining holders	69,576,248	59.97
	TOTAL ON ISSUE	**116,024,381**	**100.00**

Substantial Shareholders

The names of substantial shareholders the Company is aware of from the register, or who have notified the Company in accordance with Section 671B of the Corporations Act are:

Substantial Shareholders	Number of Shares	%
GRANDLODGE PTY LTD, PETER ANASTASIOU <ATF GRANDLODGE SF A/C>, GRANDLODGE THOROUGHBREDS PTY LTD, & PETER ANASTASIOU (as notified to the Company on 3 May 2013)	168,326,929	16.56
DAVID PLUSH & TEXAS WOODS PTY LTD (as notified to the Company on 3 May 2013)	146,576,329	14.42
HADASIT MEDICAL RESEARCH SERVICES & DEVELOPMENT LTD (as notified to the Company on 6 May 2013)	59,164,094	5.71
CAPITAL CONCERNS PTY LIMITED <LOGUE FAMILY SF> (as notified to the Company on 3 May 2013)	54,627,723	5.38
Total Number of Shares Held by Substantial Shareholders	**378,695,075**	**42.07**

SHAREHOLDER ENQUIRIES

Shareholders with enquiries about their shareholdings should contact the Share Register:

Computershare Investor Services Pty Ltd
Yarra Falls, 452 Johnston Street
Abbotsford Victoria, Australia. 3067

Telephone: +61 1300 850 505
Facsimilie: +61 (0)3 9473 2500

CHANGE OF ADDRESS, CHANGE OF NAME, CONSOLIDATION OF SHAREHOLDINGS

Shareholders should contact the Share Registry to obtain details of the procedure required for any of these changes.

REMOVAL FROM THE ANNUAL REPORT MAILING LIST

Shareholders who wish to receive the Annual Report should advise the Share Registry in writing. These shareholders will continue to receive all other shareholder information.

TAX FILE NUMBERS

It is important that Australian resident shareholders, including children, have their tax file number or exemption details noted by the Share Registry.

CHESS (Clearing House Electronic Subregister System)

Shareholders wishing to move to uncertified holdings under the Australian Stock Exchange (CHESS) system should contact their stockbroker.

UNCERTIFIED SHARE REGISTER

Shareholding statement are issued at the end of each month that there is a transaction that alters the balance of your holding.

Company Directory

AUSTRALIAN COMPANY NUMBER (ACN)
063 114 045

Immuron Limited is a Public Company Limited by shares and is domiciled in Australia.

DIRECTORS

Dr. Roger Aston	Independent Non-Executive Chairman
Dr. Elane Zelcer	Independent Non-Executive Deputy Chairman
Mr. Daniel Pollock	Independent Non-Executive Director
Mr. Stephen Anastasiou	Non-Executive Director

CHIEF EXECUTIVE OFFICER (CEO)
Mr. Amos Meltzer

COMPANY SECRETARIES
Mr. Phillip Hains
Mr. Peter Vaughan

PRINCIPAL PLACE OF BUSINESS
Suite 1, 1233 High Street
Armadale, Victoria, 3143
Australia
Telephone: + 61 (0)3 9824 5254
Facsimile: + 61 (0)3 9822 7735

REGISTERED OFFICE
Suite 1, 1233 High Street
Armadale, Victoria, 3143
Australia
Telephone: + 61 (0)3 9824 5254
Facsimile: + 61 (0)3 9822 7735

SHARE REGISTRY
Computershare Investor Services Pty Limited
Yarra Falls, 452 Johnston Street
Abbotsford, Victoria, 3067
Australia
Telephone: +61 (0)3 9415 5000
Facsimile: +61 (0)3 9473 2500

SOLICITORS
K&L Gates LLP
Level 25, 525 Collins Street
Melbourne Victoria, 3000
Australia
Telephone: + 61 (0)3 9205 2000
Facsimile: + 61 (0)3 9205 2055

AUDITORS
PricewaterhouseCoopers (PWC)
2 Southbank Boulevard
Southbank, Victoria, 3006
Australia
Telephone: + 61 (0)3 8603 1000
Facsimile: + 61 (0)3 8603 1999

BANKERS
National Australia Bank (NAB)
330 Collins Street,
Melbourne, Victoria, 3000
Australia

WEBSITES
www.immuron.com www.travelan.com.au

SECURITIES QUOTED

Australian Securities Exchange
- Ordinary Fully Paid Shares (Code: IMC)
- Listed Options over Ordinary Fully Paid Shares (Code: IMCO) exercisable at \$0.12 per option on or before 15 December 2015.
- Listed Options over Ordinary Fully Paid Shares (Code: IMCOA) exercisable at \$0.04 per option on or before 30 April 2015.