

Friday 23rd January 2015

iSonea's Technology Platform Strengthened in Preparation for Clinical Trial and Product Relaunch

In this update we are pleased to advise the latest progress in building a stronger technology platform for our Australian clinical trials and the relaunch of AirSonea. We have recently appointed Grey Innovation as a technology partner to work with our software team at Two Bulls and closed our San Diego facility. We are now operating out of only two locations, Melbourne, and Israel where our algorithm was originally invented.

The Board is confident that the clinical trials will be successful. iSonea Chairman, Mr Leon L'Huillier, said "it is wonderful to see the Australian and Israeli teams developing technology to relaunch AirSonea in Australia and globally. The algorithm was, of course, originally developed by Professor Gavriely in Israel and there is a long history of successful clinical trials overseas using our algorithm."

Stronger Technology Platform

Our Israel team is working closely with our Australian technology partners to produce technology enhancements and a member of the Israeli team is currently working here in Australia. We are pleased to advise that significant improvements have been made recently to performance, speed and data usage. AirSonea has also been upgraded to operate with the latest generation of smart devices.

The company has appointed Grey Innovations as a new partner. Grey is an Australian based engineering and technology commercialisation company with a strong track record of commercialising breakthrough technologies. It is a medical device specialist.

Greg Tunny, our interim CEO, has completed his technology assignment and will leave the company on 23rd January 2015. Our partners will now work under the direct supervision of the Chairman and Board.

Independent Clinical Trials in Australia

The Board is confident that the clinical trials of AirSonea will be successful. Multiple independent clinical trials overseas have demonstrated that our algorithm can track and record breath sounds and detect wheezing, even in young infants during the first months of life. This trial work will be repeated in Australia with children and adolescents.

A research article published in 2014 by leading physicians in the Department of Neonatology at the Charité University Medical Centre Berlin, Germany concluded as follows "computerised wheeze detection is feasible during the first year of life. This method is more objective and can be more readily standardised than subjection auscultation, providing quantitative and non-invasive information about the extent of wheezing." Lung sounds were analysed using our iSonea algorithm.

Current discussions with prominent Australian respiratory physicians will enable us to advise shareholders as soon as possible on the time frame for our clinical trial work.

Leon L'Huillier Chairman

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Looking Forward Statements

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