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Universal Biosensors

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Universal Biosensors – Update

Universal Biosensors (ASX: UBI) provides below an update to its product development pipeline.

The company has been conducting a review of its current development projects with a view to prioritising development spend and focussing on projects that most enhance shareholder value.

Associated with this review, UBI management have also noted the eligibility criteria to access the R&D cash rebate which is important to UBI's net cash flow. In particular, it is a condition of the program that the annual revenue remains below \$20 million. It makes very little sense for UBI to chase short term small revenue increases that will take our revenue above this limit.

Also, UBI has recently attended an FDA workshop on point-of-care (**POC**) diagnostics for monitoring warfarin medication therapy (i.e. monitoring PT-INR). At the workshop the FDA flagged increased scrutiny on these POC tests, which may lead to changes in regulatory requirements for future FDA submissions.

As a consequence of the above, Universal Biosensors has put the development of its own PT-INR self-testing device on hold as it seeks to enhance the product features to address the opportunity associated with the changes foreshadowed by the FDA. The enhanced product features will potentially improve Universal Biosensors' position in the marketplace and thus maximise value for shareholders.

These changes will not have any significant impact on the revenues of Universal Biosensors in the 2016 calendar year except to help keep revenue within the eligibility limits prescribed by the R&D concession legislation. It will, however, result in Universal Biosensors being able to reduce spend and improve on its cash flow.

Mr Denver said: *"Research and development of new best in class healthcare products is a lengthy process. However, the rewards are significant. Our product platform is capable of being best in this field and we are determined to deliver the best POC blood testing products we can to provide a real benefit for patients and ensure that Universal Biosensors shareholders benefit when our products become market leaders."*

Ends

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About Universal Biosensors

For additional information regarding Universal Biosensors, refer to: <http://www.universalbiosensors.com/>.

Universal Biosensors is a specialist medical diagnostics company, founded in 2001, that is focused on the development, manufacture and commercialisation of a range of in vitro diagnostic tests for point-of-care use. These tests capitalise on a technology platform which uses a novel electrochemical cell that can be adapted for multiple analytes and provide for enhanced measurements in whole blood.

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Forward-Looking Statements

The statements contained in this release that are not purely historical are forward-looking statements within the meaning of the US Securities Exchange Act of 1934. Forward-looking statements in this release include statements regarding our expectations, beliefs, hopes, intentions or strategies. All forward-looking statements included in this release are based upon information available to us as of the date hereof, and we assume no obligation to update any such forward-looking statement as a result of new information, future events or otherwise. Our actual results could differ materially from our current expectations. We cannot assure you when, if at all, the proposals outlined in this release will occur, and the terms of any such proposal are subject to change. Factors that could cause or contribute to such differences include, but are not limited to, factors and risks disclosed from time to time in reports filed with the SEC.