



ASX Company Announcement

MPS Field Trials

13 March 2009

The Directors of Sun Biomedical Limited (ASX Code: SBN) wish to advise that there is now uncertainty as to whether the Chinese Ministry of Public Security (MPS) field trials will proceed as previously advised.

On 23 February 2009, SBN delivered the 5,000 OraLine units ordered by Siyi for the commencement of the field trials. However, these units were subsequently returned by Siyi without payment or any explanation for their return. SBN has been seeking written clarification from Siyi as to the reasons for the return of the 5,000 units, the timing regarding the commencement of the field trials, and Siyi's commitment to fulfilling its obligations under the Cooperation Agreement. SBN is not aware of any technical reasons why the 5,000 units were returned.

SBN continues to deal in good faith with Siyi - however, Siyi has been unable to provide a satisfactory response in relation to Siyi's intentions regarding the commencement of field trials and its ongoing commitment to the Cooperation agreement. SBN is continuing to pursue the matter with Siyi and will advise investors as soon as further information becomes available.

SBN remains fully committed to fulfilling its obligations under the Cooperation Agreement. However, the successful development of the joint venture with Siyi is reliant on Siyi's willingness to fulfill Siyi's obligations under the Cooperation Agreement.

In the meantime, the Board is continuing with its search for a strategic partner for the business and expects to update its investors by mid April of the proposals arising from this process.

For further information in relation to this announcement or any aspects of SBN's operations please visit SBN website at www.sunbiomed.com or contact:

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