

MEMORANDUM OF UNDERSTANDING SIGNED WITH INTERNATIONAL COMPANY

The Company (XRF) is pleased to advise that it has signed a Memorandum of Understanding (MoU) with PANalytical B.V.(PAN), in order to facilitate the global commercialisation of some of XRF's Intellectual Property.

PAN is the world's leading supplier of analytical instrumentation and software for X-ray diffraction and X-ray fluorescence spectrometry. It has conducted an initial appraisal on technology owned by XRF, known as the Spectrolaser, which has led to the reaching of an understanding between the companies to further develop both market and technical knowledge, with the ultimate objective of offering the technology worldwide.

The technology, over which XRF's wholly-owned subsidiary Laser Analytical Technologies has several patents, is based upon a phenomenon known as Laser-induced Breakdown Spectroscopy, (LIBS) which can be used to analyse most of the elements in the Periodic Table. This technology is currently incorporated into the Spectrolaser, of which some 20 units have been sold to date.

The MoU outlines various stages of project development, which, if all are satisfactory, lead to an initial 2-year period in which XRF will manufacture, and PAN will market, sell and service the LIBS equipment. This period is to be extended if successful.

The full market potential for this technology has yet to be assessed, however the ability for analyses to be carried out very quickly, and with minimal sample preparation clearly indicate that such potential is considerable.

Please direct any inquiries to:

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About PANalytical

PANalytical is the world's leading supplier of analytical instrumentation and software for X-ray diffraction (XRD) and X-ray fluorescence spectrometry (XRF), with more than half a century of experience. The materials characterization equipment is used for scientific research and development, for industrial process control applications and for semiconductor metrology.

PANalytical, founded in 1948 as part of Philips, employs around 900 people worldwide. Its headquarters are in Almelo, the Netherlands. Fully equipped application laboratories are established in Japan, China, the USA, and the Netherlands. PANalytical's research activities are based in Almelo (NL) and on the campus of the University of Sussex in Brighton (UK). Supply and competence centers are located on two sites in the Netherlands: Almelo (development and production of X-ray instruments) and Eindhoven (development and production of X-ray tubes). A sales and service network in more than 60 countries ensures unrivalled levels of customer support.

The company is certified in accordance with ISO 9001:2000 and ISO 14001.

The product portfolio includes a broad range of XRD and XRF systems and software widely used for the analysis and materials characterization of products such as cement, metals and steel, nanomaterials, plastics, polymers and petrochemicals, industrial minerals, glass, catalysts, semiconductors, thin films and advanced materials, pharmaceutical solids, recycled materials and environmental samples.

www.panalytical.com

PAN is owned by Spectris plc, the UK-listed precision instrumentation and controls company. www.spectris.com

About XRF Scientific

XRF Scientific Limited is an Australian listed company (ASX: XRF) based in Perth, Western Australia. We have manufacturing, sales and support facilities located in Perth and Melbourne plus a global network and official distributors. We have representation in the United States, Mexico and South America, Canada, Europe, Africa, the Middle East and Asia.

XRF Scientific's technology is used to measure the composition and purity of materials and is mainly applied in industrial quality control and in process control for manufacturing processes in industries such as metals and mining, construction materials, chemicals and petrochemicals.

XRF Scientific Limited enhances productivity for customers through precision instrumentation as well as through systems and supplies. Our focus is on providing niche applications that have a direct impact on process performance for end user customers.

XRF Scientific products help customers to improve product quality and performance, increase productivity and yield and reduce downtime and waste.

Our businesses have established positions in their specialised markets.

Our businesses work with multinational blue-chip customers such as:

BHP Billiton, Rio Tinto, Iluka, Xstrata, Nickel West, Robe River Iron Associates, Alcoa, CSIRO, Intertek, PT Inco, Pilbara Iron, Zinifex, Amdel/Ultratrace, SGS, Campbell Brothers.