



Bruce Mathieson Becomes Cornerstone Investor of iSonea

- ***iSonea raises \$1.05 million via private placement of 17,500,000 shares at \$0.06 per share***
- ***Funding will support development of the AirSonea™ smartphone-based asthma monitoring system***

Melbourne, Australia and Severna Park, MD, USA – 31 August 2012: Medical technology company iSonea Ltd (ASX: ISN; OTCQX: ISOAY) has raised \$1.05 million via a private placement of shares to Investment Holdings Pty Ltd, an entity owned and controlled by prominent Australian businessman Bruce Mathieson.

The share placement means Mr Mathieson is now the largest shareholder of the company, with almost a 15% ownership position. The placement covers the company's entire 15% issuance capacity and will be followed by an entitlement issue to all shareholders.

Announcing the placement, iSonea chief executive officer Mr Michael Thomas said the investment recognised the pioneering nature of iSonea's asthma and acoustic respiratory monitoring (ARM™) technologies, as the company sets itself to lead in the global explosion of mobile health disease management.

Mr Thomas continued: "iSonea is committed to developing innovative, non-invasive devices and mobile health applications to improve the management of chronic and costly respiratory disorders such as asthma and chronic obstructive pulmonary disease (COPD). After the successful launch of its AsthmaSense™ mobile smartphone app in the past three months, the company is now focused on integrating its existing proprietary ARM™ sensors and analytical software with the AsthmaSense™ mobile smartphone applications (app) to develop an app based wheeze monitor known as AirSonea™."

AirSonea™ will run on smartphone platforms (e.g. Apple's iPhone and Google's Android), enabling anyone, anywhere, at any time to conveniently monitor asthma events and take appropriate action to control the condition.

Mr Mathieson has a passionate interest in the IT revolution and the impact of mobile technology on the future of healthcare. He said he was attracted to the iSonea business model, leadership team and the company's strong patent position in the respiratory device space.

Mr Mathieson commented: "iSonea is strongly positioned in the new area of digital health. The asthma monitoring device they are developing to operate with smart phones has enormous potential to help asthmatics worldwide and generate impressive recurring revenue."

Mr Mathieson continued: “As the late Steve Jobs said in 2010, ‘One of the biggest innovations of the 21st Century will be the intersection of biology and technology. A new era is beginning, just like the digital one when I was my son’s age.’ I believe iSonea’s products are ahead of the curve and representative of the future of health management.”

iSonea’s Chairman Dr Stewart Washer commented: “We welcome Bruce’s vision and investment as an opportunity to pioneer the development of innovative digital health technologies which promise to change the way millions of asthma sufferers around the world can manage their conditions.”

Mr Mathieson is a respected member of the Australian business community, having built the Bruce Mathieson Group into a significant operation in the hospitality industry. A joint venture with Woolworths led to the establishment of Australian Leisure and Hospitality Group Pty Ltd (The ALH Group). Mr Mathieson is a director and holds a 25% stake in ALH Group, having previously served as chief executive officer. Successfully operating in the hospitality and leisure industry since 1974, Mr Mathieson has management experience across several industries and is currently a non-executive director of Mayne Pharma Group Ltd. He is also owner/director of Payment Network International (PNI). He has served as a director of the Carlton Football Club.

Patersons Securities acted as lead manager to the placement. The placement will be followed by an entitlement issue to all shareholders. Details of the entitlement issue will follow. Mr Mathieson also intends to participate in the entitlement issue.

Asthma is a serious global health challenge. When not properly managed, it can result in increased hospitalisations, healthcare costs, and deaths. The World Health Organisation estimates that 300 million people worldwide suffer from asthma, with that number expected to grow to 400 million by 2025. Prevalence rates are 7-10% in most countries, however it is reported that the prevalence in Australia is among the highest in the world, with between 10%-15% of children and 10%-12% of adults being affected.

Recent data suggests the number of people downloading health management apps will reach nearly 250 million in 2012. Published studies have demonstrated beneficial health outcomes from using mobile health tools in the management of asthma, diabetes, and high blood pressure. As a result, more physicians are recommending the use of mobile health apps for at-home disease monitoring and wellness programs.

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About iSonea Limited

iSonea Limited (ASX:ISN; OTCQX:ISOAY) is an emerging medical technology company developing innovative, non-invasive devices and mobile health apps to improve the management of chronic, costly respiratory disorders such as asthma and COPD. By leveraging iSonea's proprietary Acoustic Respiratory Monitoring™ (ARM) technology with its AsthmaSense™ mobile applications, iSonea is turning smart phones into medical devices enabling anyone, anywhere, at any time to monitor breathing distress symptoms, in order to take action. iSonea's ARM devices have been cleared for use by the U.S. Food and Drug Administration, the Australian TGA and the European Union CE.

For more information, please visit www.iSoneaMed.com.

About AsthmaSense™

iSonea's AsthmaSense™ smartphone applications will enable anyone, anywhere, at any time to better manage their asthma. Among features of the first version, AsthmaSense will have a tracking system to monitor symptom trends, triggers, test results (peak flow measurements and WheezeRate™) as well as medication usage and adherence.

Other features include:

- Easy to use device for managing asthma anytime, anywhere
- Suitable for children or adults
- Logs actions quickly and without data entry
- Manages one or multiple users on single device
- In-built reminders for medication use and peak flow testing
- Advises when medications are due
- Records peak flow and WheezeRATE™
- Allows user to select silence or snooze options for reminders as needed
- Allows user to select reminder tones for individual users
- Records unscheduled medication use
- Records missed medication dosages

Forward Looking Statements

Certain statements made in this announcement are forward-looking statements. These forward looking statements are not historical facts but rather are based on iSonea's current expectations, estimates and projections about the industry in which iSonea operates, and its beliefs and assumptions. Words such as "anticipates," "expects," "intends," "plans," "believes," "seeks," "estimates," "guidance" and similar expressions are intended to identify forward-looking statements and should be considered an at-risk statement. Such statements are subject to certain risks and uncertainties, particularly those risks or uncertainties inherent in the process of developing technology and in the endeavour of building a business around such products and services. These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and other factors, some of which are beyond the control of iSonea, are difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements. iSonea cautions shareholders and prospective shareholders not to place undue reliance on these forward-looking statements, which reflect the view of iSonea only as of the date of this release. The forward-looking statements made in this announcement relate only to events as of the date on which the statements are made. iSonea will not undertake any obligation to release publicly any revisions or updates to these forward-looking statements to reflect events, circumstances or unanticipated events occurring after the date of this announcement except as required by law or by any appropriate regulatory authority.