



14 July 2010

The Listing Manager
Australian Stock Exchange Limited
Level 8, 2 The Esplanade
PERTH WA 6000

Embraer – CVM™ On-Board System Order

Dear Sir

The Company is pleased to announce that it has received an order from Embraer, the large Brazilian aircraft manufacturer, for an On-Board Comparative Vacuum Monitoring (CVM™) system that will be installed on an Embraer aircraft for certification purposes.

This will be the first installation of a Comparative Vacuum Monitoring (CVM™) system for real-time in-flight structural health monitoring and marks an important milestone in having CVM™ instrumentation integrated on-board both new and existing aircraft. This development is the next step from the portable PM200 unit which monitors structure periodically when the aircraft is on the ground, and is the system that won the prestigious NDT “Better Way” Award from the Air Transport Association of America and US Federal Aviation Administration in 2009.

This order is in addition to the orders for this program previously announced on the 14 January 2010 for the supply CVM™ equipment, and on the 29 June 2010 for the supply of technical services in support of the program.

The total value of orders received for the Embraer certification program for the Company’s periodic and on-board monitoring systems during 2010 is approximately US\$300,000. The program will continue to generate revenue for the remainder of 2010, and additional orders are expected in 2011.

Embraer is the world’s largest manufacturer of commercial jets up to 120 seats, and one of Brazil’s leading exporters.

Founded in 1969, Embraer designs, develops, manufactures and sells aircraft for the commercial aviation, executive aviation, and defence segments. Embraer also provides after sales support and services to customers worldwide.

Managing Director, Mark Vellacott, said “this is an important milestone for Structural Monitoring System’s growing relationship with Embraer, and also for the certification of a new instrumentation product range that will be capable of continuously monitoring the structural integrity of aircraft whilst in-flight. The qualification of an On-Board CVM™ Instrumentation is also an important strategic step forward for SMN, as it will open up a range of opportunities for the integration of this system with other civil and military aircraft health and usage monitoring systems.”

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A public limited liability company incorporated under the laws of England and Wales.

Yours faithfully



Colin McDonald
Company Secretary

Notes:

Structural Monitoring Systems plc Australian Securities Exchange code: SMN

Company Contact

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About Structural Monitoring Systems

Structural Monitoring Systems is a structural integrity sensor system company engaged in commercialising its leading edge Comparative Vacuum Monitoring (“CVM™”) technology, to produce remote crack detection sensor and instrument products based on the patented CVM™ principle that will radically reduce the cost of maintenance and vehicle or plant down-time associated with performing safety critical structural integrity NDT inspections. Durable, simple to design and manufacture, easy to install and use, highly reliable and with a benchmark crack detection capability, CVM™ technology has application in a broad range of commercial, military and industrial market sectors, specifically in air, land and sea transportation systems, power-generation systems, and industrial processing plants.

Structural Monitoring Systems has received accreditations from The Boeing Company and the Australian Defence Force endorsing the use of CVM™ sensors and PM200 handheld monitoring instrument as a suitable means of performing structural integrity inspections. The Company has also achieved a major milestone with Airbus acknowledging CVM as being “Technology Ready” to be included in its commercial aircraft maintenance programs. In the commercial aircraft sector Structural Monitoring Systems has well established relationships with the four largest aircraft manufacturers: Boeing; Airbus; Embraer; Bombardier. Structural Monitoring Systems also has well established relationships with air forces in the US, UK, Europe, Australia, and Asia, and with whom CVM™ technology is being evaluated for various military aircraft structural integrity monitoring applications.

Company Web Site

www.smsystems.com.au

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Any statements made herein that use the words “estimate”, “prospect”, “expect”, “believe” and similar expressions are intended to identify forward-looking statements. These forward-looking statements may be affected by inaccurate assumption or by known and unknown risks and uncertainties which could cause actual results, performance or achievements of the Company to be materially different from those which may be expressed or implied by such forward looking statements, including among others, risks or uncertainties associated with the development of the Company’s technology, the ability of the Company to meet its financial requirements, the ability of the Company to protect its proprietary technology, potential limitations on the Company’s technology, the market for the Company’s products, government regulation in Australia, the UK, the US or elsewhere, changes in tax and other laws, changes in competition and the loss of key personnel. For additional information regarding these and other risks and uncertainties associated with the Company’s business, reference is made to the Company’s reports filed from time to time with the Australian Securities Exchange. As a result of the predictive character of such forward looking statements, investors should not rely on such statements in making decisions about the Company’s prospects and / or the acquisition or disposal of the Company’s securities.