



26 March 2010

The Manager
Company Announcements Office
Australian Securities Exchange Ltd
4th Floor, 20 Bridge Street
SYDNEY NSW 2000

PARTICIPATION IN THE AMAZON OIL AND GAS PROSPECT SOUTH LOUISIANA, USA

The board of BrainZ Instruments Limited (ASX Code BZI, “BrainZ” or the “Company”) is pleased to announce that it has agreed to participate in one high impact gas exploration prospect and secured the option to participate in a second follow-on exploration opportunity. The combined potential of these projects are between 450-650 billion cubic feet of gas and 45-65 million barrels of oil. The prospects were generated off modern 3D seismic over proven play types with nearby analogue discoveries. Both are located onshore Louisiana, USA.

Amazon Prospect

Under the terms of the Farm In Agreement between Pass Petroleum LLC (a company incorporated in California) (“Pass Petroleum”) and the Company (the “Agreement”), BrainZ has secured participation in the Amazon oil and gas prospect (“Amazon”). Amazon is a highly prospective onshore oil and gas exploration prospect situated South Louisiana. Amazon has estimated gross recoverable reserve potential of 350-500 billion cubic feet of natural gas and 35-50 million barrels of oil.

BrainZ has an exclusive right to earn up to a 30% working interest in the well bore by the payment of a prospect fee of US\$197,250 (representing 18.75% of all acreage, geophysical, and geological costs incurred in connection with the Amazon) and 50% of the estimated dry hole costs (the Company’s share of the dry hole costs are estimated at approximately US\$2.8 million). In the event of a commercial discovery BrainZ will be required to pay its share of the completion costs of the test well on an unpromoted basis, estimated at around US\$500,000.

BrainZ has also granted to Pass Petroleum an option to acquire a 2.5% working interest back from BrainZ at the casing point election of the test well, which if exercised, would result in BrainZ receiving a penalty payment of around US\$450,000.

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Leasing is nearly complete, final well planning is currently underway and several alternative well locations have been proposed. Testing of the Amazon is expected to begin in 2Q 2010.

Thames Prospect

As part of this transaction BrainZ shall also have the right, but not the obligation, to participate in another large prospect in South Louisiana ("Thames"). Thames covers an estimated area of 1,200 acres, with an estimated gross recoverable reserve potential of 100-150 billion cubic feet of natural gas and 10-15 million barrels of oil.

Should the option to participate in Thames be exercised, drilling is expected to begin in Q4 2010.

The Agreement is subject to, and conditional upon, among other things, BrainZ obtaining all necessary shareholder and regulatory approvals, inclusive of approval to the proposed change in nature and scale of the Company's activities.

Summary of Farm-Out Assets

Prospect	Amazon	Thames
Potential	Gas: 350-500 BCF Liquids 35-50 MMBBLS	Gas: 100-150 BCF Liquids: 10-15 MMBBLS
Estimated Timing of Drilling	Q2, 2010	Q4, 2010

Proposed Change in Nature and Scale of Activities

As a consequence of the revised Company strategy (as announced to the ASX on 24 November 2009), BrainZ has decided to focus on oil and gas exploration activities, with an initial focus on the drilling in South Louisiana. The Board does not intend to pursue further investment in the medical technology sector.

This will involve a significant change in the nature and scale of BrainZ's activities and, accordingly, it is likely BrainZ will need to re-comply with Chapters 1 and 2 of the ASX Listing Rules if the proposal is approved by BrainZ shareholders. The Company is currently preparing a Notice of Meeting, which will contain further information in relation to the transaction and the Amazon Prospect, and be dispatched to shareholders in the coming weeks.

Indicative Timetable

The indicative timetable for the proposed shareholders meeting is set out below:

Dispatch of Notice of Meeting	9 April 2010
Lodgement of Reconciliation Prospectus with ASIC	23 April 2010
Suspension of the Company's shares from trading on ASX	10 May 2010
General Meeting of Shareholders	10 May 2010
Agreement becomes Unconditional	10 May 2010
Close of Offer pursuant to Reconciliation Prospectus	21 May 2010
Anticipated date the Company is relisted on ASX	31 May 2010

Please note that the above timetable is indicative only and may be varied in consultation with the ASX.

Shareholders should note that ASX has indicated that the Company's securities will be suspended from trading on the day of the general meeting of shareholders and will remain suspended until such time as the Company has satisfied Chapters 1 and 2 of the ASX Listing Rules.

Registration as an Australian Company

The Board is pleased to confirm that the Company has now been registered as an Australian company under the Corporations Act 2001 (Cth). The Directors now intend to complete the removal of the Company's registration as a New Zealand company in accordance with the requirements of the New Zealand Companies Act 1993.

Yours faithfully,



Mathew Walker
Director

For further information please contact:

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