

ASX AND MEDIA RELEASE

10 September 2009

Update on Unmarketable Parcel Sales Process

The Company announced to the market on 20 April 2009 that it was planning to initiate an unmarketable parcel sale on behalf of its shareholders this was repeated in the prospectus lodged in 18 May 2009. The Board of Director's determined that the exercise would significantly reduce administrative costs associated with its share registry, printing and mailing expenses in addition to enabling shareholders with small shareholdings to sell their shares without brokerage costs.

The closing date for shareholders to formally notify the Company of their wish to retain their shares was 11 August 2009. Shortly after that date the Company commenced the process to assist shareholders with unmarketable parcels in the Company to dispose of those holdings.

The Company arranged for all the unmarketable parcels to be aggregated with the holdings of all other shareholders participating in the sale facility to be sold on market through its nominated broker, Bell Potter Securities.

All costs associated with the sale of the shares will be borne by the Company. No brokerage will be payable by shareholders. A cheque for the proceeds will be forwarded to the registered address of the shareholder, or payment made to the nominated bank account in accordance with the shareholder instructions for payment of dividends. All sale proceeds will be paid in Australian dollars.

The Company continues to use its best endeavours to arrange the sale at the highest possible price. Sale proceeds will be apportioned pro rata amongst all participating shareholders according to the number of shares sold on their behalf.

Please note there is no guarantee that the Company will be able to sell your Shares (and if so when) and that the sale proceeds may differ from the market value of your shares on 25 June 2009, depending on movements in the market price of the Company's Shares.

Should you have any queries regarding how the sale facility works please contact the Company's share registry, Computershare Investor Services Pty Limited on 1300 557 010 (from within Australia) or +61 8 923 2000 (from outside Australia).

About QRSciences

QRSciences Holdings Limited is based in Melbourne, Victoria with offices in Perth, Western Australia and San Diego, California. Its wholly owned distribution business Q Video Systems is based in Port Melbourne, Australia. The primary commercial focus of the company is the design, development and sale of advanced technology

systems, sub-systems, components and software for security related applications. Applications for its technologies and products include the detection of explosives and narcotics, metal detection and imaging, surveillance and monitoring.

For more information on the Company please visit www.QRSciences.com or www.qcctv.com.au, phone +61 3 9681 9854

Rick Stokes

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