

8th December 2009

Company Announcements Office
Australian Securities Exchange

Institutional equity placement successfully completed

A\$12 million raised

Nanosonics Limited (“Nanosonics”) (ASX code: NAN) has successfully completed the institutional placement (“Placement”) component of the equity capital raising announced on 7th December 2009, to raise A\$12 million. The Placement attracted strong interest from existing and new institutional and sophisticated investors. The Placement was fully underwritten by Wilson HTM Corporate Finance Limited.

Approximately 21.8 million new Nanosonics shares were placed at A\$0.55 per share. The new shares will rank equally with existing ordinary shares on issue.

Settlement of the Placement shares is expected to take place on Friday, 11th December 2009, with allotment and quotation expected on Monday, 14th December 2009.

Trading in Nanosonics shares on ASX will resume at 10.00am today, Tuesday 8th December 2009.

In addition to the Placement, Nanosonics is inviting eligible Australian and New Zealand retail shareholders to participate in a non-underwritten share purchase plan (“SPP”), further details of which will be announced shortly.

Nanosonics intends to use the proceeds from the Placement and the SPP to supplement its own reserves to:

- support the rapid acceleration of growth, both in terms of production and marketing support, to drive the launch product (Trophon ultrasound probe re-processor) in order to meet potential market demand;
- fund, develop and manufacture new products in-house in order to maximise shareholder value through ownership of the complete value chain. The Company has validated significant additional business opportunities in the healthcare market which leverage the existing IP portfolio. These include single lumen endoscope reprocessing and bed disinfection products, as well as environmental hard surface decontamination and scientific laboratory decontamination; and
- relocate to larger premises which will support the expansion of the manufacturing capacity of the Trophon EPR from 2,000 units on a single shift to approximately 10,000 units. Nanosonics anticipates that it will manufacture future products in the same site

Upon receipt of the net proceeds of the Placement, Nanosonics cash reserves will be approximately A\$21 million. The net proceeds of the SPP will be added to these reserves.

Chris Grundy
Company Secretary
Nanosonics Limited

For more information please contact David Radford, Chief Executive Officer, or Chris Grundy, Chief Financial Officer, on 61-2-8063 1600.

About Nanosonics

Nanosonics Limited is developing a portfolio of decontamination products designed to reduce the spread of infection. The Company owns intellectual property relating to a unique disinfection and sterilisation technology which can be suited to a variety of markets.

Initial market applications are designed for the reprocessing of reusable medical instruments. The Company's first product is designed to disinfect Ultrasound Transducers. In parallel with the commercialisation of this product, Nanosonics is also developing other medical applications and exploring opportunities for its proprietary technology in other industries.

For more information about Nanosonics please visit www.nanosonics.com.au