



6 April 2010

Mr M Foy
Australian Stock Exchange Limited
Level 8, 2 The Esplanade
PERTH WA 6000

Trading Halt

Dear Matthew

The Company ("SMN") requests a trading halt be applied to its securities for a period of 2 days. SMN is in negotiation with the company with which it has an exclusive agreement to develop and commercialise CVM™ technology in the civil and defence aerospace sectors (previously announced to ASX on 23 September 2009). Under this agreement the company has the option to execute a Licence Agreement, but has yet to exercise this right. The company has requested renegotiation of a key term of the Licence Agreement. An announcement on the outcome of this negotiation will be made to ASX as soon as possible.

Yours faithfully

Colin McDonald
Company Secretary

Notes:

Structural Monitoring Systems plc Australian Securities Exchange code: SMN

Company Contact

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ARBN 106 307 322

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

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

Disclaimer:

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 met 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.