



4 August 2010

The Listing Manager  
ASX Limited  
Level 8, 2 The Esplanade  
PERTH WA 6000

### **Capital Raising**

Dear Sir

Structural Monitoring Systems plc (ASX: SMN) is pleased to announce that it has executed a capital raising mandate with Mac Equity Partners Pty Ltd to raise approximately \$500,000 by way of the Placement of 55,521,857 shares at \$0.009 per share, together with 55,521,857 free attaching options in the capital of the Company.

Funds raised pursuant to the Placement will provide working capital to deliver the order from Embraer, the large Brazilian regional aircraft manufacturer, for the On-Board CVM™ instrumentation system announced on the 14 July 2010, and also other recent orders from a new Swiss customer, for the supply of CVM™ laboratory system and sensors for automotive component testing, and for a laboratory system from a Chinese University in Shanghai specialising in composite materials research, and near term expected orders.

The working capital will also be used to secure and manufacture an order expected from a major Chinese aircraft fatigue test institute, for which the Company has received an expression of interest for the procurement of CVM™ Laboratory Equipment for full-scale fatigue testing purposes with a value of up to US\$500,000, with anticipated delivery of the system prior to the end of December 2010.

The Company will also use the working capital to market CVM™ systems to existing and expanding new customers in the aerospace, fatigue test and civil infrastructure sectors, and to further increase order intake for CVM™ products and services in these sectors.

Yours faithfully

Colin McDonald  
Company Secretary

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**ARBN 106 307 322**

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



**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](http://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 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.