



20 March 2007

The Listing Manager
Australian Stock Exchange Limited
Level 8, 2 The Esplanade
PERTH WA 6000

Dear Sir

OPTION TO ACQUIRE EXCLUSIVE LICENCE FOR A REVOLUTIONARY NEW STRAIN AND LOAD MEASURING TECHNOLOGY

The Company wishes to announce that it has negotiated an option with an Australian university to acquire an exclusive licence for a revolutionary new strain measurement technology for application in the aerospace industry.

The polymer nanotechnology based material has been developed to overcome the shortcomings of existing metal strain measuring technologies used extensively throughout the aerospace industry.

This new technology provides a quantum leap in sensitivity, durability and only requires a very low power input to operate the sensor.

The technology has been demonstrated to the large European aircraft manufacturer Airbus who is impressed by the improvement the technology provides over available strain measuring technologies. The Company is working in close consultation with engineers from Airbus to develop specific applications for both existing and new aircraft for this advanced strain measuring sensor technology.

The technology complements the Company's existing range of structural monitoring products based on the patented Comparative Vacuum Monitoring (CVM™) technology, and the Company can readily apply its expertise and industry relationships to the new technology.

In conjunction with Airbus the Company will now undertake a comprehensive technical evaluation of this new technology before deciding to exercise the option to acquire the exclusive licence for the aerospace industry.

The market for strain and load measuring technology in the aerospace industry is large and well established. The quantum improvement the new nanotechnology gives should provide the Company with the means of capturing a significant segment of this market.

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

This is an exciting development for the Company and follows on from the recent success in having the Company's CVM™ technology accepted by the FAA and The Boeing Company.

The Company will continue to monitor emerging technologies that will complement our existing range of advanced structural monitoring products.

Yours faithfully

A handwritten signature in cursive script, appearing to read "Colin McDonald". The ink is dark and the signature is written in a fluid, connected style.

Colin McDonald
Company Secretary