



SMS WINS PAKISTAN AIR FORCE CONTRACT

The Directors of Structural Monitoring Systems plc ("SMS") (ASX: SMN) are pleased to announce that, in association with Aerostructures Pty Ltd of Melbourne, SMS has been awarded a Pakistan Air Force (PAF) contract for the supply of structural engineering services and Comparative Vacuum Monitoring (CVM™) design solutions for their FT5 jet trainers, Mirage-3 fighters and Hercules C-130 transport aircraft, and also the supply of CVM™ systems to equip the Pakistan Defence Aeronautical Research Centre (DARC).

The contract value is approximately A\$830,000 for a Stage 1 program that provides for the Company and Aerostructures to analyse and develop an airframe life extension and structural test proposal for the FT5 and produce structural integrity plans using CVM™ technology for the Mirage-3 and C-130 to monitor specific areas on the airframes to detect the initiation and propagation of cracks at periodic intervals.

The contract is significant as it is specifically prepared to lead into recommendations for PAF fleet installations of CVM™ systems, as well as assisting the DARC to develop its structural testing capability, in a significantly larger Stage 2 program due to commence in late 2005.

The PAF contract is a major milestone as SMS will act as the prime contractor to the Pakistan Air Force delivering a full range of structural integrity analysis, monitoring and testing services for their aircraft. During the establishment of this contract SMS has been able to capitalise on the expertise and contacts that it has built up during the development of the CVM™ technology.

The Company is also in discussion with another Air Force regarding the adoption of this full service approach to aircraft structural integrity analysis and management.

Enquires regarding the above announcement or any aspect of the Company's commercialisation program can be directed to Mark Vellacott, Chief Executive Officer on (08) 9204 4844.

For and on behalf of
STRUCTURAL MONITORING SYSTEMS plc

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COMPANY SECRETARY
20 May 2005

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