

COMPANY ANNOUNCEMENT

KarmelSonix Raises New Capital

23rd February 2009 : The Directors of KarmelSonix Ltd (KSX or the Company) are pleased to announce that it has secured additional equity capital to continue with the Personal Wheezometer commercialisation program together with the continued roll out of the PulmoTrack.

The total amount of capital raised is A\$1.0m comprising the following amounts: approx \$450,000 via a placement of ordinary shares issued at 1.5 cents each with 1 : 4 options exercisable at 5c by June 30 2012 with the balance of the fundraising done via the issue of a combination of ordinary shares, partly paid shares and interest bearing redeemable convertible preference shares.

The partly paid shares and redeemable convertible preference shares will remain unlisted until fully paid up or converted at which time they will be listed on the same basis as the existing Ordinary Shares.

Whilst some of the Ordinary Shares will be issued immediately (under the 15% rule) others will be subject to Shareholder’s approval which will be sought at a meeting to be held on 23rd March 2009. A Notice of Meeting containing the various resolutions will be released to ASX today to be posted to all shareholders this week. The shares to be issued under the 15% rule are expected to be listed on ASX and will rank pari passu with existing Ordinary Shares on issue. The issue has been supported by several of the Company’s existing Australian professional investors, Directors, Consultants and Marketing Partners, with those parties coming from Israel, Europe and the United States.

The WheezometerTM received European CE Mark Approval in January 2009 which enables the sales and marketing activities for the Wheezometer to commence. US FDA and Australian TGA regulatory approval processes are expected to commence shortly.

Commenting on the raising of this new capital, KSX Chairman, Mr. Peter Marks said, “we are very pleased to have secured the additional funding in this very difficult capital market and economic environment. We would like to thank existing and new shareholders who have participated in this issue which will, despite recent cutbacks in personnel and other costs, enable the Wheezometer Project to move forward in accordance with the revised plan”.

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“Wheeze Rate – A New Paradigm in Asthma Management”

KarmelSonix Ltd. focuses on supplying innovative non-invasive acoustic tools for disease management of asthma and related pulmonary disorders. Asthma affects 6-16% of the population in developed countries with a cost exceeding \$US15 billion in the US alone.

Acoustic Asthma Management is a breakthrough in monitoring of the asthmatic patient of all ages, including the very young, very old and others who cannot perform currently available tests. The technology that comes from extensive R&D and clinical validation in the US, Israel and Australia, facilitate continuous monitoring of patients at home, in the ICU and even during sleep. The company is focused on early commercialization of its products with special emphasis on the European and North American markets.

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