

COMPANY ANNOUNCEMENT

Successful Placement of Shares **Raises Approximately \$4.5m**

9th December 2009 : The Directors of KarmelSonix Ltd (the Company or KSX) are pleased to announce the successful placement of new Ordinary Shares and Options to professional and sophisticated investors raising approximately \$4.5 million. The new Shares will be issued at a price of 4.0 cents per Share with a 1:2 attaching Option exercisable at 7.0c per Option. The Options have an expiry date of 31st July 2011.

Of the total new shares to be issued 100.0 million will be issued under the approval received at the Company’s AGM held on 12th November, 2009 with the balance being issued under the 15% rule.

It is expected that the new Ordinary Shares and Options will be issued by the end of this week with trading of the new Ordinary Shares expected by the start of next week. Trading in the new Options will be dependent on satisfying the spread requirements for this class of securities and being admitted to the Official List by ASX.

Commenting on this latest placement, KSX Chairman, Mr. Peter Marks said, “the response to this raising has been very positive indeed. At a time when many healthcare and life sciences companies are finding it difficult to raise funds, the fact that KSX has been able to achieve this result is a strong endorsement of the Company, its products and its people. Funds will be directed to expanding sales and marketing, manufacturing activities as well as continuing with important product enhancements and improvements”.

A significant number of business development activities have commenced under Vice President Sales and Marketing (Asia Pacific), Paul Eisen in Australia and through Asia and this together with European commercial expansion and further regulatory and reimbursement work in the US will be a key focus for KarmelSonix during 2010 and which will help grow revenues in 2010 with both the WHolterTM – 24 hour ambulatory device and the Clinical and Personal WheezometerTM devices.

“As part of the raising it has also been very gratifying to see a large number of our existing shareholders take up additional shares in this offering. With the new additional funds now secured the Company is looking forward to moving ahead with its ambitious plans to commercialise its innovative range of asthma devices during 2010”, Mr Marks said.

We look forward to bringing you further updates regarding the Company’s progress in coming weeks.



“Wheeze Rate – A New Paradigm in Asthma Management”

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About KarmelSonix : 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 now focussing its efforts on early commercialization of its products particularly in the AsiaPac, European and North American markets.

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