



“Wheeze Rate – A New Paradigm in Asthma Management”

COMPANY ANNOUNCEMENT

Results Of Option Exercise Program

4th July 2008: The Directors of KarmelSonix Limited (KSX) wish to announce that following the expiry of the option exercise period on 30th June, 2008, a total of 18,379,796 options were exercised for a total consideration of approx. \$1.84 million. Of this amount, approx. \$1.58 million was received during the month of June with the balance received in May. The receipt of these additional funds from the option exercise has resulted in a total cash balance, as at 30th June of approximately \$3.2m.

The available funds will be applied to continuing the product commercialisation and development plans, particularly the further ramp up of sales of the PulmoTrack® together with the launch of the Wholter™ monitor and Personal Wheezometer™ products.

The Directors wish to thank all option holders for their continued support. As required, the Company will pursue additional sources of funding to ensure that the momentum of the Company's commercialisation plans are maintained and strengthened further.

For additional information please contact:

Mr. Peter Marks, Chairman,	+61 (0)3 9824 8166	Email: Peter@karmelSonix.com
Dr. Nathan Intrator, KSI CEO	+972 544 650 365	Email: Nathan@karmelSonix.com
Prof. Noam Gavriely, CMO	+972 544 661 337	Email: Noam@karmelSonix.com

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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KarmelSonix Ltd. (KSX)
Suite 2, 1233 High Street
Armadale VIC 3143 Australia

PulmoSonix Pty, Ltd.
336A Glenhuntly Road
Elsternwick VIC 3185 Australia

KarmelSonix (Israel) Ltd.
5 Palyam Avenue
Haifa, Israel