

COMPANY ANNOUNCEMENT

Clinical & Marketing Update

HIGHLIGHTS

- Study published in Respiratory Care (2008 October 53(10):1304-9) validating the accuracy of wheeze detection by the PulmoTrack® in Pediatric Intensive Care Unit at Mass General Hospital, Boston. Editorial by Key Opinion Leader in support of computerized wheeze detection in asthma management.
- KarmelSonix presented at the European Respiratory Society annual meeting in Berlin 5-7 October 2008.
- Ethics Committee approves first clinical study using the Personal Wheezometer™.

16th October 2008: The Directors of KarmelSonix Ltd (ASX: KSX) are pleased to announce the publication of a scientific journal article on the validation of the accuracy of wheeze detection by the PulmoTrack®. The study, conducted in the Pediatric Intensive Care Unit (PICU) of Mass General Hospital (MGH) in Boston, MA, was led by Prof. Natan Noviski, the Chief of PICU and by Prof Robert Kacmarek, Director of Respiratory Therapy at MGH. The study evaluated the ability of the PulmoTrack to correctly detect wheezes in comparison to the detection by physicians, nurses and respiratory therapists (RTs) in pediatric asthma patients in the PICU. The study’s conclusion was:

“Between the physician, RTs, and nurses there was agreement about the presence of wheeze in critically ill patients in the pediatric intensive care unit. Compared to the objective acoustic measurements from the PulmoTrack, the intensive care unit staff was similar in their ability to detect the absence of wheeze. The PulmoTrack was better than the staff in detecting wheeze.”

The study was accompanied by an Editorial by Prof. Hans Pasterkamp, a leading pediatric pulmonologist and researcher of pulmonary acoustics. Prof. Pasterkamp commented that:

“Even if the automated detection, characterization, and quantification of wheezing were not significantly more precise than that by experts with their stethoscopes, there are undeniable advantages to computerized respiratory sound monitoring.”

He further wrote:

“A computerized respiratory sound monitor allows objective characterization of respiratory sounds, which may offer a better understanding of wheezing in young children, as it relates to future outcomes.”

In other significant marketing news, the Company featured the PulmoTrack® at the annual conference of the European Respiratory Society held in Berlin between the 5th to 7th of October. Many leading and other practising pulmonologists visited the Company’s booth to learn about the technology with many expressing interest in trialling the PulmoTrack® in their own clinic or laboratory. Additionally, commercial meetings were held with a large number of product distributors into the pulmonary market.

“Wheeze Rate – A New Paradigm in Asthma Management”

While other PulmoTrack® clinical studies are currently continuing with excellent interim results being achieved, the Company is pleased to announce the approval of the first Personal Wheezometer™ clinical study. The study will be held at Hillel Yafe Medical Center in Israel and is aimed to document the usability of the Personal Wheezometer™ in asthma patients. This study is in particular intended to demonstrate to the US Food and Drug Administration (FDA) that the Personal Wheezometer™ can be sold as an Over-the-Counter (OTC) device without the need for a prescription from a physician. The study will commence within the next 30 days.

“This published study gives further scientific credence to KarmelSonix’ Core Technology” said Company Chairman, Mr. Peter Marks. “The fact that this study was conducted at Mass General Hospital, one of the leading hospitals in the US, is of particular importance. The exposure to the respiratory therapy community with its tens of thousands of workers in the US alone will facilitate the penetration into the intensive care market. As more people hear and read about Wheeze Monitoring, it is expected to become easier to introduce the KSX products to hospitals in the US and elsewhere.

Finally, the Company has recently overhauled its website www.karmelsonix.com to include new graphics and additional updated information on its current and forthcoming products and their use. Please refer to this site for further information and details.

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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.

“Wheeze Rate – A New Paradigm in Asthma Management”