

COMPANY ANNOUNCEMENT

European CE Mark granted to KarmelSonix' Wheeze and Cough WHolter™ Device

8 April 2010: The Directors of KarmelSonix Limited (KSX) are pleased to announce the receipt of the European CE Mark for the WHolter™, a wheeze and cough ambulatory recorder. The granting of the CE Mark is a mandatory requirement prior to enabling sales and distribution of the device in Europe to commence. It is also the basis for obtaining regulatory approvals in non-European jurisdictions such as the TGA in Australia. To receive the CE, the product has to withstand stringent independent tests of safety and performance.

The WHolter™ is the first and only continuous ambulatory recorder for the quantification and measurement of wheeze and cough, to receive regulatory approval. It is used to record the respiratory sounds and breathing activity of patients who suffer from Asthma, COPD and chronic cough. The worldwide pool of patients who suffer from Asthma is over 300 million, and diseases such as COPD are also significantly on the increase.

The WHolter™ allows data to be recorded overnight while the patient sleeps, or during the day at school, work and during sports. As such, it provides critical information on the wheeze and cough activities while patients are away from the doctor's clinic and in their own allergen, dust, pollen and irritants environment. Typically, the unit is applied to the patient at the clinic, which then receives the unit back from the patient with the recorded data from either 8 or 24 hours of continuous recording. The data is then uploaded to a PC and analysed by KarmelSonix' PulmoTrack® – WHolter™ analysis software. Importantly, there currently exists no device capable of recording what is often referred to as 'nocturnal' asthma as it occurs whilst the patient is asleep. However this form of asthma is widespread and frequently goes undiagnosed.

“The WHolter™ is a key component in our product development program” said Prof. Noam Gavriely, KarmelSonix', CEO and CMO. “The ability to obtain objective and quantitative information on nocturnal asthma and cough and on occupational obstructive respiratory symptoms is a step change in physicians' ability to manage asthma and cough.

In addition to marketing the WHolter™ as a free-standing device, KarmelSonix' revenue stream will benefit from sales of disposable elements (sensors, adhesive pads) and from providing analysis and interpretation services using its WHolter-Lab experts at its KarmelSonix (Israel) Haifa facility, making this program more than one of only selling our WHolter™ equipment.”

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“Wheeze Rate – A New Paradigm in Asthma Management”

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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