

ASX ANNOUNCEMENT

20 October 2008

Fermiscan Test for breast cancer to be used in conjunction with current screening practices at Sydney Breast Clinic

The Directors of Fermiscan Holdings Limited are pleased to announce that from the 20th October 2008, Sydney Breast Clinic will commence using the Fermiscan Test for Breast Cancer on patients attending the clinic as an addition to their multi-disciplinary diagnostic and screening practices. This will be the first time that the Fermiscan Test will be used by medical staff in a clinical setting where an individual patient's Fermiscan Test results can be compared directly to their imaging (mammography and/or ultrasound) results. This will assist Fermiscan and the medical community to position the test within current clinical practice. The Fermiscan Test will be provided free to patients taking part in the study. This clinical study is the next step in Fermiscan's programme which is aimed at making the test widely available to Australian women.

The result of the 2000 patient trial earlier this year showed that the greatest application for the Fermiscan Test is in women under 70 years of age, and in particular for younger women where mammography is generally unsuitable due to the density of their breast tissue.

Fermiscan is currently undertaking focussed studies in other clinical settings.

A study of patients in Italy with identified symptoms of breast cancer is progressing well and is expected to be completed by the end of the year.

The Ashford Cancer Centre, a leading cancer clinic in Adelaide, is providing patient samples with various stages of disease across a number of different cancer types that will be of benefit to our research and development.

The study in Singapore is underway but has progressed slowly. The recent appointment of a dedicated nurse to manage patient recruitment and sample collection should expedite the study, which is targeted for completion in the first half of 2009.

In Japan, study protocols have been finalised for the collection of known positive breast cancer patients and commencement is expected before the end of this year.

In addition to providing valuable data to assist in further test validation, these studies are providing Fermiscan with a global network of clinicians who are gaining experience in using the test as an adjunct to clinical practice, and provides a strong launching pad for the Fermiscan Test both within Australia and internationally.

For further information, please contact

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About Fermiscan

Fermiscan's principal activity is the advancement of a non-invasive diagnostic test for the detection of breast cancer. The test is based on the discovery by an Australian scientist that a change can be detected in the molecular structure of hair from women with breast cancer and this change can be identified by using diffraction of X-rays generated in a synchrotron. The greatest application for the Fermiscan Test is in women under 70 years of age, and in particular for younger women, where mammography is generally unsuitable, with potential benefits for women's health including increased survival and treatment options. It is anticipated that the test will be used as an adjunct to existing screening tests for breast cancer.

Earlier this year Fermiscan announced the results of a major 2,000 patient trial. The trial compared results from mammography and ultrasound (and any subsequent biopsy and pathology results) with the Fermiscan Test.

The trial results confirmed that the Fermiscan Test has a negative predictive value of 99.5% in calling almost 1400 patients negative for breast cancer where the patient was less than 70 years of age. These results also confirm the ability for the Fermiscan Test to correctly identify breast cancer in women in the same age group in 74% of the cases.⁽¹⁾

The Fermiscan Test development path in Australia and overseas includes completion in 2008 of clinical research with leading hospitals in Italy and Singapore as well as the Ashford Cancer Centre, a leading cancer clinic in Adelaide. Clinical research in Japan will commence over coming months.

Fermiscan acquired Sydney Breast Clinic Pty Limited in June 2008. The Clinic has been operating for over 30 years and is one of the largest diagnostic breast clinics in Australia, testing over 10,000 women annually who are referred by more than 3,000 general practitioners.

The Clinic uses the gold standard Triple Test (medical history and clinical breast examination; mammography and ultrasound imaging; non-excision biopsy) in the diagnosis and screening of breast disease. The multidisciplinary team at the Clinic consists of over 55 staff including Breast Surgeons, Breast Physicians, Radiologists, Pathologists, Radiographers, Sonographers and Nurses. The Clinic offers same day diagnosis of breast disease in a reassuring, comforting and positive environment.

Sydney Breast Clinic was a key participant in Fermiscan's 2,000 patient trial and is planning to commence a clinical study using the Fermiscan Test in conjunction with current screening to assess the use of the test by physicians in a clinical setting.

Fermiscan was named 'Australian Innovator of the year' at the Austrade sponsored annual 'Innovation Day Shoot Out' competition in New York in January 2008.

⁽¹⁾ Excludes 4 Ductal Carcinoma in Situ (DCIS) not identified as positive by Fermiscan

Visit Fermiscan's website at www.fermiscan.com.au

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