



Holdings Limited

ASX AND MEDIA RELEASE

30 August 2007

**Expanded US Market Opportunity for QR-Based Shoe
Screener Systems**

QRSciences Holdings (ASX:QRS) (QRSNY:PK) advises that the Department of Homeland Security's (DHS) Science and Technology Directorate, on behalf of the US Transportation Security Administration (TSA), has announced it is seeking vendors able to provide Shoe Screener Systems suitable for Government laboratory assessment and field testing. In the notice published, DHS has indicated that it is interested in assessing available technology in order to establish a Qualified Products Listing to regulate shoe scanning equipment used in Registered Traveller airport screening services.

The related Sources Sought Notice issued by DHS is in support of TSA's future needs and anticipates the use of advanced shoe screening technology by commercial security providers to supplement and/or expedite passenger processing through privately operated Registered Traveller (RT) airport checkpoint lanes.

A Quadrupole Resonance (QR) based shoe screening system is currently offered by GE Security under a comprehensive patent cross-licence agreement with QRSciences and is operated by GE's partner, Verified Identity Pass, the leading provider of RT airport screening services through the Clear® program. Under the cross-licence agreement, QRSciences receives royalty payments for GE products incorporating the company's patented QR intellectual property.

In addition, through rights under the cross-licence agreement, QRSciences is currently building its own shoe scanner product targeted at both the US RT and the broader general aviation screening markets, both domestic and international. To support product development and other commercialisation costs, QRSciences has submitted an application for funding under the AusIndustry Commercial Ready grant program. AusIndustry is the business program delivery division of the Department of Industry, Tourism and Resources and provides a range of incentives to support business innovation, including grants and other assistance to industry competitiveness worth nearly \$2 billion each year.

Kevin Russeth, Chief Executive Officer of QRSciences said: "The DHS Sources Sought Notice is a key milestone in the adoption of new checkpoint technology under the Registered Traveller program, in this case specifically shoe screening technology, as it provides the formal regulatory mechanism for product qualification. We are very pleased to see this step forward as QR shoe screening is the technology of choice for this application, and DHS is the regulatory vehicle that will

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support product roll-out of both QRSciences' and our licensing partner's products. Just as importantly, TSA is a blue riband customer, and its adoption of shoe screening systems will ultimately provide the technology and product validation that enables penetration of the broader aviation and international screening equipment markets.”

About QRSciences

QRSciences Holdings Limited is based in Perth, Western Australia with offices in San Diego, California. Its wholly owned distribution business is based in Port Melbourne, Victoria.

The commercial focus of the company and its associates is the design, development and sale of advanced technology systems and sub-systems for security related applications including the detection of explosives, weapons and narcotics. Core technologies include quadrupole resonance, advanced metal detection and imaging, X-ray technology, and high resolution surveillance and monitoring systems.

For more information visit www.QRSciences.com or phone +61 8 9358 5011 in Australia or +1 858 613 8755 in the US