



14 January 2010

The Listing Manager
Australian Stock Exchange Limited
Level 8, 2 The Esplanade
PERTH WA 6000

Embraer – Orders For The Largest CVM™ Periodic Monitoring System Installation

Dear Sir

The Company is pleased to announce that further to an announcement made in June 2008 regarding the successful completion by Embraer, the large Brazilian aircraft manufacturer, of the initial phase of the largest ever installation of aircraft Structural Health Monitoring (“SHM”) sensors using the Company’s Comparative Vacuum Monitoring (CVM™) technology, orders have been placed for the supply of PM200 units and a number of sensor assembly application kits for installation on an Embraer aircraft structure.

Embraer is the world’s largest manufacturer of commercial jets up to 120 seats, and one of Brazil’s leading exporters. Embraer’s headquarters are located in São José dos Campos, São Paulo, and it has offices, industrial operations and customer service facilities in Brazil, China, France, Portugal, Singapore, and the United States.

Founded in 1969, Embraer designs, develops, manufactures and sells aircraft for the commercial aviation, executive aviation, and defence segments. Embraer also provides after sales support and services to customers worldwide.

The CVM™ sensor assembly installation program will be conducted during the first half of 2010, and will represent the largest deployment of an in-situ sensor periodic monitoring system on a single aircraft to date.

A further phase of this program is now being planned in association with Embraer and Company’s new strategic partner, as previously announced on 23 September 2009, to develop and demonstrate an on-board in-flight version of the CVM™ instrumentation system during the second half of 2010 for constant monitoring of aircraft structures in flight.

Managing Director, Mark Vellacott, said “this is an important milestone for Structural Monitoring System’s growing relationship with Embraer, and also for demonstrating the ability to install a significant number of CVM™ sensors on aircraft for a periodic monitoring application. It is also an important step forward with our new strategic partner who together with the Company has been advancing discussions with other aircraft manufacturers and military aircraft operators for applications of CVM™ products which we anticipate will be committed to during 2010.”

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Yours faithfully

Colin McDonald
Company Secretary

Notes:

Structural Monitoring Systems plc Australian Securities Exchange code: SMN

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About Structural Monitoring Systems

Structural Monitoring Systems is a structural integrity sensor system company engaged in commercialising its leading edge Comparative Vacuum Monitoring (“CVM™”) technology, to produce remote crack detection sensor and instrument products based on the patented CVM™ principle that will radically reduce the cost of maintenance and vehicle or plant down-time associated with performing safety critical structural integrity NDT inspections. Durable, simple to design and manufacture, easy to install and use, highly reliable and with a benchmark crack detection capability, CVM™ technology has application in a broad range of commercial, military and industrial market sectors, specifically in air, land and sea transportation systems, power-generation systems, and industrial processing plants.

Structural Monitoring Systems has received accreditations from The Boeing Company and the Australian Defence Force endorsing the use of CVM™ sensors and PM200 handheld monitoring instrument as a suitable means of performing structural integrity inspections. The Company has also achieved a major milestone with Airbus acknowledging CVM as being “Technology Ready” to be included in its commercial aircraft maintenance programs. In the commercial aircraft sector Structural Monitoring Systems has well established relationships with the four largest aircraft manufacturers: Boeing; Airbus; Embraer; Bombardier. Structural Monitoring Systems also has well established relationships with air forces in the US, UK, Europe, Australia, and Asia, and with whom CVM™ technology is being evaluated for various military aircraft structural integrity monitoring applications.

Company Web Site

www.smsystems.com.au

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