



23 March 2010

The Listing Manager
ASX Limited
Level 8, 2 The Esplanade
PERTH WA 6000

Order For First CVM™ Bridge Monitoring System In The USA

Dear Sir

Structural Monitoring Systems plc ("SMN") is pleased to announce that it has received the first order for its Comparative Vacuum Monitoring (CVM™) technology based autonomous bridge structure monitoring system from a State Government Department of Transport in the United States.

The sale follows the collaboration of SMN with US Sandia National Laboratories to adapt the use of CVM™ technology to monitor critical steel structures such as bridges, mining equipment and infrastructure.

Sandia has a long association with the development of sensors for the monitoring of aging US infrastructure, and in a recent report¹, which featured the results of their evaluation of CVM™ to detect cracking in thick steel plate, stated that "the US National Bridge Inventory Database indicates that 30% of the 600,000 bridges in the US are structurally deficient", and that "a majority of the rail bridges in the US are operating beyond their initial design life".

Given the cost and lead times associated with the repair or replacement of these bridges there is growing interest from US State Government Departments of Transport in the role that Structural Health Monitoring will play in their on going safe operation, in effect safely 'bridging the gap' prior to the time that refurbishment can occur.

After the catastrophic Minneapolis I-35W bridge collapse in August 2007, SMS developed a cost effective autonomous bridge structure monitoring system based on the CVM™ technology. This CVM™ based system integrates CVM™ Switch with mobile phone and solar power technology to provide remote monitoring of critical bridge structure that "can phone home" when a problem is detected.

SMS has been working closely with Sandia to demonstrate and promote this cost effective and efficient bridge monitoring solution to US Federal and State government transport agencies, and this initial order has resulted from this collaborative activity.

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Mark Vellacott, SMN Managing Director, said “The value of the single 8 channel CVM Switch autonomous system that has been ordered is US\$17,000, which excludes the additional system training and installation support costs. Although the value of this initial order is relatively small, it was won in competition against other monitoring technologies and represents a commercial break-through in to what is likely to be a significant long term and large market for CVM™ technology. The application not a trial, the **CVM™ system will be the primary means used to continuously monitor this structure.** As such, this is an excellent opportunity to showcase this new CVM™ product for the autonomous monitoring of bridge and other infrastructure in the USA, and to form the base of a marketing campaign to address this large market.”

1: “Use of Composite Materials, Health Monitoring and Self Healing Concepts to Refurbish Our Civil and Military Infrastructure” SANDIA Report SAND2007-5547, September 2007

Yours faithfully



Colin McDonald
Company Secretary

Notes:

Structural Monitoring Systems plc Australian Securities Exchange code: SMN

Company Contact

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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.

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Company Web Site

www.smsystems.com.au

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