

ASX Announcement

Ciba elects to cease industrial product evaluations

6 August 2008, Sydney: Biosignal Limited (ASX: BOS) has been advised by Ciba Corporation that Ciba will cease further testing in Biosignal's specialised anti-microbial industrial product applications. No further collaboration is expected with Ciba on this particular project.

Ciba found very strong efficacy in Biosignal's anti-microbial compounds but also found that adding these compounds in processed applications resulted in other product ramifications. Ciba's main applications were in PVC plastic and coatings. The product issues that surfaced during the testing phase involved either high temperatures during processing or incompatibility with other components in the formulation process.

This decision does not alter expectations for Biosignal's core industrial applications and other product lines, for which these processing issues are not relevant and formulations are less complex. These include:

- Non-exclusive agreements with major oil producer ConocoPhillips in the oil and gas industry to evaluate Biosignal's novel treatment for microbiologically influenced corrosion in oil and gas infrastructure.
- Cooperative agreements with other major oil & gas companies to advance anti-microbial product development
- Arrangement with Saraya Co of Japan tied to bringing air-conditioning and urinal sanitation products to markets in Japan, South Korea, Hong Kong and Taiwan.
- Agreement with a major international agrichemicals company to evaluate Biosignal's unique anti-microbial technology for use in crop and seed protection.
- Agreement with leading international animal health company to use Biosignal's anti-microbial technology to develop new livestock and animal food products

"While Ciba has decided not to commercialise the Biosignal technology in the plastics and coatings markets, Ciba continues to be impressed by its uniqueness and efficacy. We wish Biosignal well and expect other companies might realise great gains from this technology," said Dr. Dick Thomas, Global Head, Bioprotection of Ciba Corporation.

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About Biosignal and the anti-biofilm technology

Biosignal is commercialising a distinctive anti-bacterial technology. This technology is proving highly effective across applications ranging from industrial to medical products. Biosignal's anti-biofilm technology is based on a discovery that the eastern Australian seaweed *Delisea pulchra* produces natural furanones that disable bacteria's ability to colonise surfaces. The fundamental problem with existing anti-bacterials, including antibiotics, is bacterial resistance. Bacteria rapidly produce resistant strains when faced with strong selective pressure by biocides. Furanones lull bacteria to inaction and appear to avoid the problem of bacterial resistance.