



ANNOUNCEMENT TO THE AUSTRALIAN STOCK EXCHANGE

28 July 2008

STIRLING GETS AUSTRALIAN PATENT FOR HEAVES IN HORSES

- ***Australian patent granted for application of R-salbutamol in heaves.***
- ***Patent now approved in two countries.***
- ***Regulatory trials for drug/ device combination are progressing in the United States***

Stirling Products (ASX: STI) wishes to advise shareholders that its patent application for “the treatment of heaves in horses” with R-salbutamol has now been granted in Australia. The company previously announced that the patent had also been approved in South Africa (ASX, October 10, 2006).

Managing Director and CEO of Stirling Products, Dr Calvin London indicated that further grant approvals were likely to be forthcoming. “The patent is under active examination in four other countries and had been approved pending grant in a further country”.

Stirling has already commenced the process of regulatory trials in the United States. The company announced in January last year (ASX, January 18, 2007) that R-salbutamol when delivered through the Equinehaler™ delivery system (an inhalation device specifically for horses), it produced significant improvements in both clinical scores and lung function. The company through its joint venture Pulmovet Aps, has since filed new intellectual property for an improved Equinehaler™ that is more specific for drug delivery of combinations such as R-salbutamol and steroid drugs.

“R-salbutamol is one of two products that form the basis of Stirling’s entry into the equine respiratory drug market,” indicated Dr London. “Stirling has also commenced work with a steroid drug to be used in concert with R-salbutamol to relieve the symptoms of heaves. In normal circumstances R-salbutamol would be used to open the airways and allow better penetration of a steroid drug that actually treats the symptoms. The advantages of Stirling’s medication regime is a user-friendly device and the drugs will be specifically formulated for use in horses.”

Heaves or Recurrent Airway Obstruction (RAO) affects about 25-30% of all horses in Europe and the United States. “We believe that the market for inhalation drugs in horses is about ten years behind the advances in the treatment of human respiratory

diseases,' indicated Dr London. 'As a result, equine respiratory specialists are now starting to look for a user-friendly means to deliver effective treatments to horses by inhalation rather than by systemic injection or through the feed. We not only have a user-friendly device but also extremely efficient drugs to combine with the device.'

Stirling anticipates that the worldwide market for drug-device combinations in horses could be over \$50 million in the first few years of sales, maturing to over \$100 million as new drug-device combinations are developed.

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About Stirling Products:

Stirling Products is a public animal health company that is developing patented applications in the area of animal growth agents that increase meat production, while decreasing fat accumulation for the benefit of consumers, veterinary medications and devices for the detection and treatment of respiratory disorders in horses and products for companion animals. Most recently Stirling has established a specific subsidiary to commercialise products for companion animals that will culminate in the commercial release of the company's product utilizing R-salbutamol for the treatment of obesity in dogs.

Stirling Products also has a fully-owned subsidiary in North America Inc. that manufactures and sells a high purity beta glucan extract that has been designed as an alternative tool for sustainable livestock management and productivity. ProVale™ is available for targeted applications in swine, poultry and farmed aquaculture with a future focus on further developing applications for companion animals (e.g., horses, dogs, cats and reptiles).

For further information about this announcement or Stirling Products please contact Dr. London on (08) 9480 1480 or 0400 204616. Additional information may be found on the Company website www.stirlingproducts.net.