



SMS Group Update - Further Material Progress to Pivotal STC

Highlights:

- **SMS received the Statement of Conformity Certification from the FAA.**

Structural Monitoring Systems Plc (“**SMS**” or “**the Company**”) (**ASX: SMN**) is pleased to provide the following update for shareholders:

SMS Group – Progression of CVM™ to Pivotal STC Status

As part of the previously announced requirements to achieve STC approval, SMS has now received the Statement of Conformity Certification from the FAA after completing the CVM™ kit installation in Victorville, CA on a Delta B737-800 aircraft. This is a major milestone achieved on the well defined path toward the first STC approval. The next and final milestone is the submission of the combined laboratory test data from Sandia and Delta Engineering to the FAA. Although the FAA could request additional data from the laboratory reports, we are expecting these would have minimal impact to the overall certification timing.

The SMS team, led by Rich Poutier and John Linn, along with personnel from Delta Airlines, Delta Engineering and a team of technicians from AeroX worked diligently to install, test and certify the sensor kit on the Delta aircraft. AeroX is a certified aircraft maintenance group that was approved by Delta Airlines to assist with the installation in Victorville. Prior to arriving on site, SMS and AEM personnel trained the AeroX technicians on the best practices for installation of the sensor kits and the testing protocols required to certify that each sensor was operating properly.

CVM™ is progressing to a commercial and technical ready status which will allow the industry to replace costly ground based hangar inspections.

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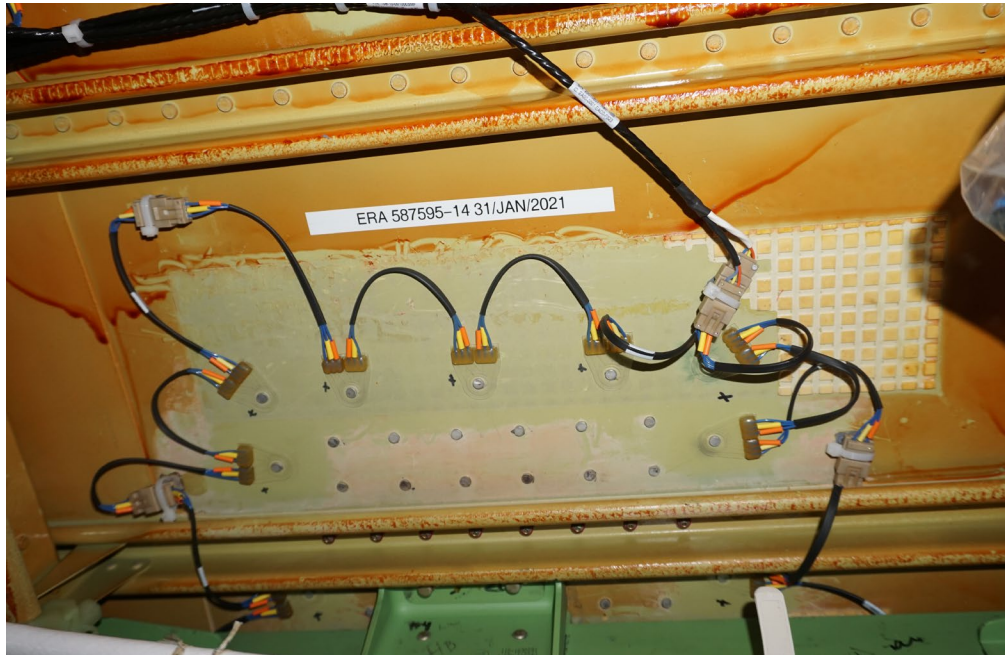


Figure 1. Looking up to the interior center crown of aircraft, with sensors installed

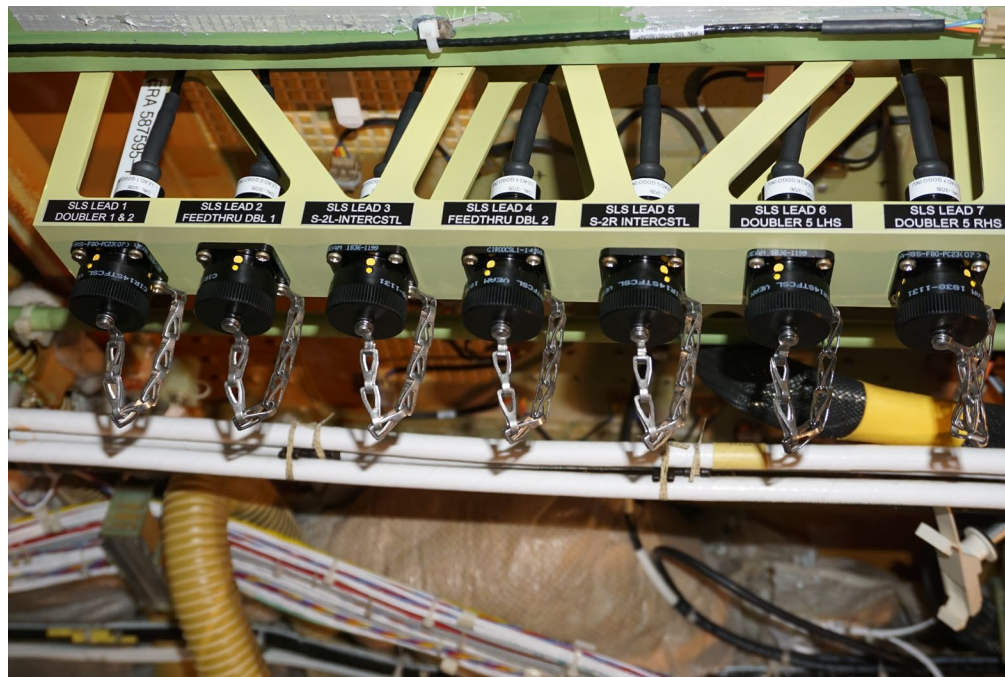


Figure 2. SLS Test Leads connected to CVM Sensors to detect crack status

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Figure 3. Looking u-Center of top crown of aircraft, sensors installed on critical fasteners

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Figure 4. PM200 Test box indicating SLS Lead 6 (zone with approx.. 30 fasteners) Passed

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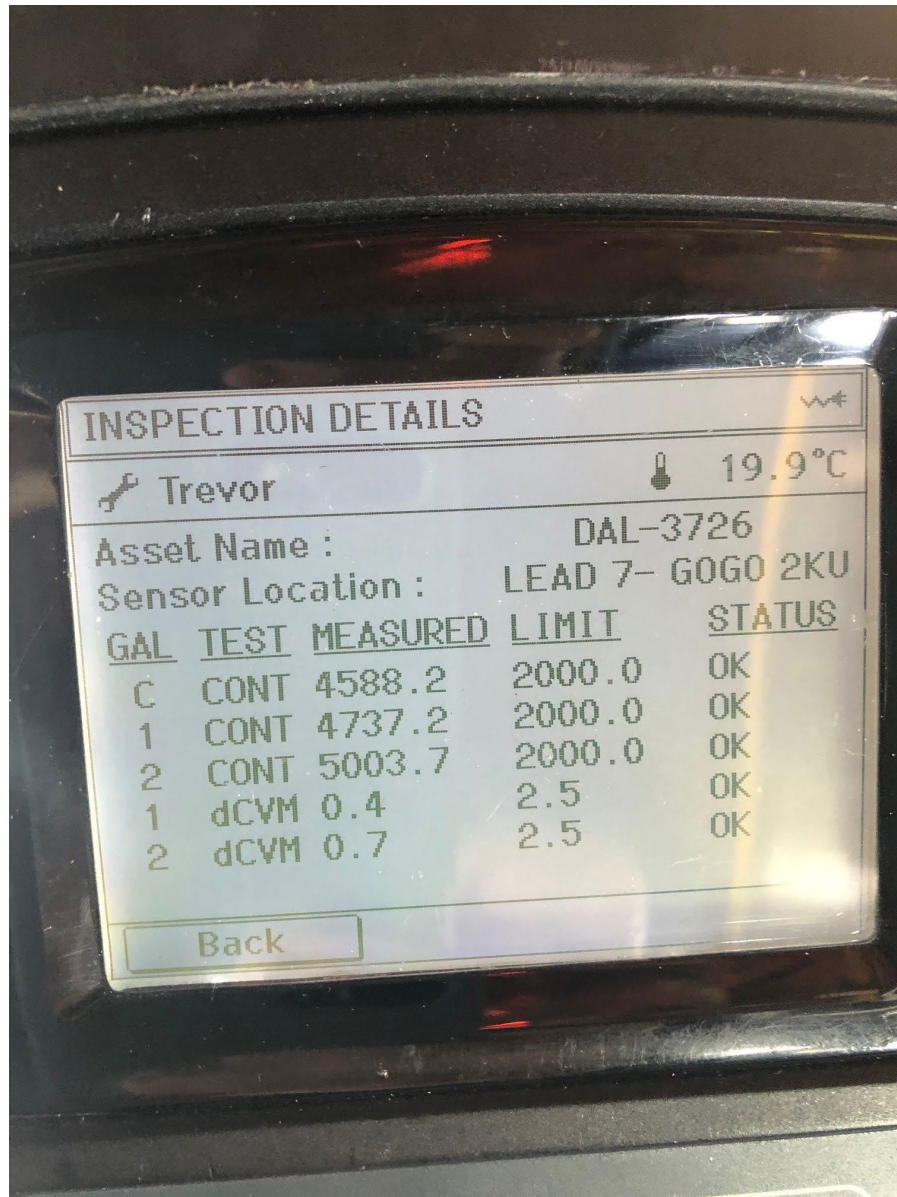


Figure 5. PM200 Indicating inspection details to Inspector for Lead 7

This announcement is authorised by the Board.

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