**ASX Company Announcement**

**25 February 2008**

## Strategic Re-alignment and Appointment of CEO

The Directors of Sun Biomedical Limited (ASX: SBN or the Company) have concluded a strategic review of SBN's business model and the prospects of the United States market. The Company provides the following update to investors in relation to the restructure of SBN's operations. This will enable focus of the Company's resources on the SBL illicit drug testing device business (Sun Biomedical Laboratories or SBL).

A detailed update on SBL's operations will be provided to investors with the release of the financial statements for the six months ending 31 December 2007 on 28 February 2008.

### 1. Senior Management Changes

### Appointment of Jack Kerins as Chief Executive Officer of Sun Biomedical Laboratories Inc

As a result of the strategic re-alignment, Chief Operating Officer, Mr. Jack Kerins, has been appointed Chief Executive Officer of Sun Biomedical Laboratories Inc. Mr. Kerins' focus will be rolling out sales and marketing strategies in the US. Mr. Kerins' will also focus on substantially increasing production capacity to meet anticipated demand.

Mr. Kerins was previously appointed as chief operating officer of SBL in Chief Operating Officer in October 2007.

Mr. Kerins will be traveling to Australia, in the second quarter, and is planning to hold shareholder update meetings regarding the US based operations and the achievements to date and objectives moving forward.

The founder of the Company's subsidiary Dr. Ming Sun will continue on with the organisation in his current capacity as Director of Research and Development, where he will specifically focus on the finalisation of the development and commercialisation of the Company's next generation of saliva drugs of abuse tests.

**Retirement of Brian Andrews**

The Board of Sun Biomedical Limited wishes to advise that effective from 22 February 2008, Mr. Brian Andrews will conclude his tenure with the Company as a member of the Board and executive in his role as Managing Director.

Mr. Andrews's departure follows the Company's strategic decision to allocate a greater proportion of its resources to its US subsidiary and operating division, Sun Biomedical Laboratories Inc. Mr. Andrews has been instrumental in focusing the organisation's resources on the commercialisation of Sun Biomedical Laboratories, the expansion of the Company's distribution network in the United States and the initiation of the development of new products that will have a significant influence on the Company's future prospects for continued growth. Mr. Andrews will be available to consult to the Company.

As advised on 13 February 2008, Mr. Paice will continue on the Board in a non executive capacity.

The Board of Sun Biomedical Limited thanks Mr. Andrews and Mr. Paice for their contributions and service as executives of SBN.

## 2. Reduction in Australian administrative overheads

As a result of the re-alignment, Sun has re-organised the administrative function in Australia as follows:

- Close the current Melbourne premises.
- Outsourced the SBN Australian finance and administrative functions to Turnberry Funds Management Pty Ltd ("TFM"). Mr. Jim Hallam, a non executive director of the Company, is the principal of TFM. SBN will also utilize TFM's premises. The agreement with TFM is at commercial terms at $4,166 per month.
- These steps represent a saving of $300k per annum.

These steps recognize that the Australian operations are limited to a listed holding company.

For further information contact:

Jim Hallam
Director

Mobile: 0414965442

**Appendix 1**

Mr. Kerins was appointed as chief operating officer of SBL in Chief Operating Officer in October 2007.

Mr Kerins has a 20 year history of successfully transitioning organisation's from start up through to successful multi million dollar enterprises. He has experience both within the public company sector and privately funded enterprise and he has managed IPO's, multiple acquisitions and a number of complex technology based businesses operating in stringent regulatory environments. Mr. Kerins' industry experience spans IT, Chemicals, Manufacturing and Nanotechnology industries, the development and management of business to business sales models and, the successful raising of venture capital and government funded development grants. He has also developed and managed successful multinational joint venture operations across Europe, Japan and in Australia.