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Our Ref: **MJG/900771**
Your Ref:

16 June, 2009

Mr Terence Flitcroft
Company Secretary
Somnomed Limited
Level 3
20 Clarke Street
CROWS NEST NSW 2065

Dear Mr Flitcroft,

RE: SHAREHOLDING OF RICHARD GEORGE PALMISANO

We act for Richard George Palmisano

Please find ***attached*** our client's Form 605 Notice of Ceasing to be a Substantial Shareholder.

During the period 4 to 8 May 2001, One Trade Stockbroking Pty Limited ACN 112 727 787 sold 15 million (15,000,000) shares held by our client in Somnomed Limited without our client's knowledge or consent (the "One Trade Sale")

On 14 May 2008, E-Trade Australia Securities Limited ACN 078 174 973 ("E Trade") sold 1.98 million (1,980,000) shares held by our client in Somnomed Limited without our client's knowledge or consent (the "E-Trade Sale").

E-Trade paid to our client the proceeds of the E-Trade Sale and the One Trade Sale after close of business on 12 June 2009.

Yours faithfully,
GILLIS DELANEY LAWYERS

Michael Gillis

Michael Gillis
Partner
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{MJG/LXT0689:1}

Form 605

Corporations Act 2001
Section 671B

Notice of ceasing to be a substantial holder

To Company Name/Scheme SOMNOMEND LTD

ACN/ARSN **ACN 003 255 221**

1. Details of substantial holder (1)

Name Tunend Pty Ltd and Richard Palmisano

ACN/ARSN (if applicable) ACN 090 468 821

The holder ceased to be a substantial holder on 08/05/09

The previous notice was given to the company on 02/02/09

The previous notice was dated 02/02/09

2. Changes in relevant interests

Particulars of each change in, or change in the nature of, a relevant interest (2) of the substantial holder or an associate (3) in voting securities of the company or scheme, since the substantial holder was last required to give a substantial holding notice to the company or scheme are as follows:

Date of change	Person whose relevant interest changed	Nature of change (4)	Consideration given in relation to change (5)	Class (6) and number of securities affected	Person's votes affected
4-8/05/09	Richard Palmisano	On market sale	306,059 11	15,000,000	Palmisano
14.05.09	Richard Palmisano	On market sale	39,600 99	1,980,000	Palmisano

3. Changes in association

The persons who have become associates (3) of, ceased to be associates of, or have changed the nature of their association (7) with the substantial holder in relation to voting interests in the company or scheme are as follows:

Name and ACN/ARSN (if applicable)	Nature of association

4. Addresses

The addresses of persons named in this form are as follows:

Name	Address
Richard Palmisano	W8/780 Bourke St Redfern 2016 NSW
Tunend Pty Limited	W8/780 Bourke St Redfern 2016 NSW

Signature

print name **Richard Palmisano** capacity ~~Director~~ By his solicitor Michael Gillis

sign here date 16/6/09

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DIRECTIONS

(1) If there are a number of substantial holders with similar or related relevant interests (eg a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group with the names and addresses of members is clearly set out in paragraph 4 of the form.

(2) See the definition of 'relevant interest' in sections 608 and 671B(7) of the Corporations Act 2001

(3) See the definition of 'associate' in section 9 of the Corporations Act 2001

(4) Include details of:

(a) any relevant agreement or other circumstances because of which the change in relevant interest occurred. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement must accompany this form together with a written statement certifying this contract, scheme or arrangement; and

(b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies)

See the definition of 'relevant agreement in section 9 of the Corporations Act 2001

(5) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired

(6) The voting shares of a company constitute one class unless divided into separate classes

(7) Give details, if appropriate of the present association and any change in that association since the last substantial holding notice