**ASX Announcement** **28 January 2010**

# COMPANY UPDATE – Preliminary half-year results

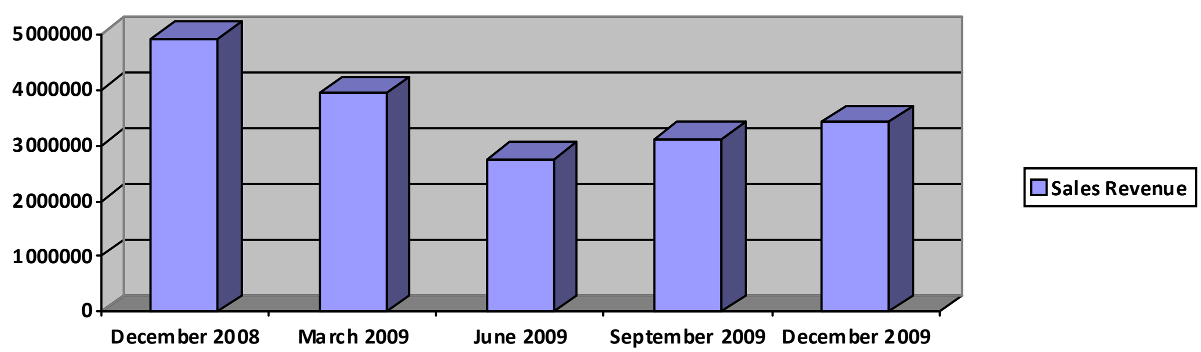
As indicated in an earlier announcement (8 December 2009), the XRF Scientific group is profitable, and continues to operate with positive cash-flow.

Based upon unaudited (management) accounts for the 6 months to Dec 31, 2009, revenue was $6.62 million, down 36% from the previous corresponding period ($10.31million). Net profit before tax was reduced by 82% from $1.51 million to $0.27 million. Significant abnormal expense items totalled $0.19 million for the period, which if not incurred would have resulted in a net profit before tax of $0.46 million.

The lower sales and corresponding reduced profits are a direct result of the Global Financial Crisis, which resulted in a significant slowdown in purchasing by the mining industry, our biggest market segment.

As foreshadowed in that earlier announcement, a reversal of the downward trend was becoming apparent, and this seems to be gaining momentum, as the following graph indicates:

**Quarterly Sales Revenue**




Sales of consumables have reverted to a normal pattern, refurbishment of laboratory platinum ware has picked up, and inquiries for capital equipment are stronger. Also, the resurgence of the Chinese economy, and resilience and continued expansion of mining, and iron ore in particular, augur well for calendar 2010.

XRF remains debt-free, with in excess of $4.5 million cash at bank, and with newly developed products coming to a market which is returning to normal, and has underspent over the past 12 months.

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## About XRF Scientific

XRF Scientific Limited is an Australian listed company (ASX: XRF) based in Perth, Western Australia. We have manufacturing, sales and support facilities located in Perth and Melbourne plus a global network and official distributors. We have representation in the United States, Mexico and South America, Canada, Europe, Africa, the Middle East and Asia.

XRF Scientifics' technology is used to measure the composition and purity of materials and is mainly applied in industrial quality control and in process control for manufacturing processes in industries such as metals and mining, construction materials, chemicals and petrochemicals.

XRF Scientific Limited enhances productivity for customers through precision instrumentation as well as through systems and supplies. Our focus is on providing niche applications that have a direct impact on process performance for end user customers.
XRF Scientific products help customers to improve product quality and performance, increase productivity and yield and reduce downtime and waste. Our businesses have established positions in their specialised markets.

Our businesses work with multinational blue-chip customers such as:
BHP Billiton, Rio Tinto, Iluka, Xstrata, Nickel West, Robe River Iron Associates, Alcoa, CSIRO, Intertek, PT Inco, Pilbara Iron, Zinifex, Amdel/Ultratrace, SGS, Campbell Brothers.