22 August 2011

XRF SCIENTIFIC MAKES STRATEGIC INVESTMENT

As the next step in its strategic growth plan, XRF Scientific Limited ("XRF") is pleased to announce that it has made an investment in Gestion Scancia Inc ("Scancia") (www.scancia.ca), a Canadian based chemical flux manufacturer.

Scancia, based in Quebec, manufactures x-ray flux, and distributes predominantly through Canada and the US. The business was established by Dr. Louis Croisetiere, a Chemist, and Logik Automation & Control Inc. on the basis of a unique automatic manufacturing process developed by Dr. Croisetiere.

XRF has purchased a 19.9% interest for AU$200,000, and has also provided a loan of AU$150,000 for a period of up to 27 months. This loan is able to be repaid, or converted to equity - if fully converted, would result in XRF owning 29.9% of Scancia. XRF also has the ability to increase its interest in Scancia over time.

As part of the investment, XRF has obtained exclusive distributorship of Scancia products in Australasia. Scancia's products, having a different physical form to those produced by XRF, are complementary to XRF's product range and therefore will provide customers with broader product choice.

XRF's Managing Director, Terry Sweet said "We are quite excited about the growth potential for Scancia given the quality of its product and the ability for Scancia to leverage our international distribution network. Whilst still at an early stage in its commercial life, we believe Scancia has a great future.

For XRF, the strategic investment we are making in Scancia provides XRF with a low risk option over an emerging x-ray flux manufacturer in Canada / North America, and also delivers access to the fast-growing South American market. In addition to this, we will be able to provide our clients with the new product in Australasia and gain access to Scancia's alternative manufacturing IP."

Please direct any inquiries to:

Terry Sweet
Managing Director
terry.sweet@xrfscientific.com

Vance Stazzonelli
Chief Financial Officer
vance.stazzonelli@xrfscientific.com

About XRF Scientific XRF Scientific Limited is an Australian listed company (ASX: XRF) based in Perth, Western Australia. XRF manufactures equipment and chemicals, which are distributed to laboratories in Australia and overseas and used in the preparation of samples for analysis.

XRF has manufacturing, sales and support facilities located in Perth and Melbourne plus a global network and distributors. The Company has representation in the United States, South America, Canada, Europe, Africa, the Middle East and Asia and has a customer base that includes 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, Amdel/Ultratrace, SGS, Campbell Brothers.

XRF's 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 products help customers to improve product quality and performance, increase productivity and yield and reduce downtime and waste. Its businesses have established positions in their specialized markets.