



COMPANY RELEASE

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AION Diagnostics expands imaging product pipeline

Perth, Australia - AION Diagnostics Inc, a molecular imaging company developing medical imaging agents, today announced the expansion into new applications based on the modified porous silicon (mpSi) platform. The new products target the pre-clinical small animal imaging sector and have been developed as a result of advancements in the Company's core human healthcare division.

"We are very excited to have progressed our existing development programs to the extent they can generate earlier revenue streams," said Dr. Anna Kluczevska, President and CEO of AION. "Products intended solely for research purposes can be brought to market more rapidly than human applications. This commercial advantage will provide further capital for re-investment into our human molecular imaging applications."

Pharmaceutical development requires extensive amounts of time, resources and expertise to ensure a new drug is safe and effective for human trials. Pre-clinical imaging incorporates optimized and miniaturized versions of human imaging systems for use in research settings. The key modalities are micro-PET, micro-SPECT, micro-CT, micro-MRI, high-frequency ultrasound and optical imaging. Benefits of pre-clinical imaging include the ability to provide real-time monitoring of drug efficacy in induced disease models.

Using untargeted and targeted contrast agents, researchers can follow a single animal over time to monitor the effects of disease intervention, progression and treatment outcome. Its application in vascular studies reduces the trial sample size of a longitudinal study to obtain required data. This results in saving a number of animal lives as well as cost savings through discontinuation of ineffective or unsafe studies.

The research imaging sector is predicted to grow 33% in 2007. The major drivers for rapid growth in this market include increased attention from federal health initiatives in molecular imaging, stringent peer review of scientific publications and grant approvals requiring *in vivo* functional and molecular data as well as more rapid adoption rates from industry and academia.

"The expansion of the Company's development pipeline into the pre-clinical imaging agent market provides AION with further validation of its technology," stated Dr. Kluczevska. "We believe molecular imaging will play a significant role in accelerating and refining drug discovery and development. AION's technology is well positioned to benefit from this emerging growth sector."

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Released by:

AION Diagnostics

Alexandra Brown

Ph: +61 (8) 6461 9400

alexandra_brown@aiondiagnostics.com

European Public Relations

Dr. Eva Reuter

Ph: +49 (254) 393 0740

e.reuter@dr-reuter.eu

NOTES TO EDITORS:

AION Diagnostics (AION) is a global biotechnology company dedicated to the commercialization of medical imaging contrast and molecular imaging agents for early stage detection of critical diseases. Founded in 2004, AION secured strategic alliances with universities, research institutions and industry partners internationally.

Exploiting the 10-year history of discoveries of porous silicon made at the former UK Defence Evaluation Agency (now QinetiQ) and backed by USD\$50 million in cumulative previous investment in the technology, AION have developed modified porous silicon (mpSi) which has been proven visible across all major imaging modalities. AION is leveraging the unique visualization capabilities of the mpSi technology platform with its biodegradable and biocompatible properties to produce imaging product divisions in Marking, Contrast and Molecular Imaging Agents. Additionally, one such strategic objective is the development of collaborations incorporating the mpSi platform with other materials to create superior versions of existing products.

Continuing to strive for better solutions to unmet diagnostic needs, AION's products are committed to the timely visualization of pathologies in a manner which may facilitate prevention rather than treatment of disease.

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