

ASX Company Announcement

Manufacturing Service Agreement

24 January 2014

The Board of Sun Biomedical (ASX: SBN) is pleased to announce that the Company has entered into a manufacturing service agreement with HANGZHOU BEICHI TECH CO.LTD (Beichi). The agreement covers production of first models of the modified device (Oraline®) as well as process optimisation, and further tune-up of Oraline® new product.

The new models will be produced using HIPS-FOOD GRADE plastic, in accordance with agreed specifications. This agreement follows successful prototyping and testing of a new strip and housing modifications of new version of Oraline® product at Beichi facilities. This agreement is the first step towards a strategic manufacturing alliance between the companies and should provide Sun Biomedical with significant commercial advantages such as reduced product development time, reduced cost of goods and access to Beichi's expertise in the field of medical diagnostic tests.

"Beichi is a highly respected company led by professionals with deep experience in the manufacture of medical diagnostic tests and reagents required for the production of Oraline" said Howard Digby, Executive Chairman of Sun Biomedical Ltd. "We are delighted to be working with Beichi on the development and production of our new product at this time as we feel that the industry is now more favourable towards saliva testing".

About Sun Biomedical:

Sun Biomedical Limited is an international biotechnology company with assets in the area of occupational drug testing. The company is commercialising new improved versions of its "Oraline®" hand held multi drug test device while also looking to increase its biotechnology investments.

About Beichi:

Beichi Tech. (Hangzhou) Co., Ltd. is one of the leading manufacturers of medical diagnostic tests and reagents, located in Zhejiang Province, China. Beichi (www.beichitech.com) manufactures high quality OEM products including fertility, drugs of abuse and infectious disease series test kits as well as Antigens, Antibodies such as HCG antibodies, and drugs of abuse antigens and antibodies to the worldwide market.

For more information about Sun Biomedical visit its corporate website at www.sunbiomed.com.au

Howard Digby Executive Chairman +61 434 987 750