



Innovative Biosensors, Inc. Announces Formation of a Dedicated Environmental Business Group

Sales-focused Operating Unit to Expand Commercial Potential of BioFlash Biological Identifier

Rockville, MD, March 31, 2008 – Innovative Biosensors, Inc. (IBI), a company developing rapid, ultra-sensitive tests to detect harmful pathogens for both the biodefense and clinical infectious disease markets, today announced the creation of the IBI Environmental Business Group, to be led by Richard Thomas as President. Joe Hernandez remains as CEO of IBI, and President of the Clinical Business Group.

The new commercial-focused business unit will commit dedicated resources to deliver detection capabilities to this growing market focused on building security, biosafety, military and civil defense applications. Recent accomplishments include system installations in iconic buildings in the National Capitol Region, and integration and distribution partnerships with three biothreat-industry innovators, BioVigilant, SecureTeq and Universal Detection Technology.

"We are very excited about the enthusiastic commercial response to the launch of the BioFlash® Integrated Biological Collector and Identifier in all sectors of the market, especially in government and commercial building security," said Richard Thomas, President of the IBI Environmental Group. "We have positioned the group to capture new and related opportunities through technology expansion and partnerships to protect people and property globally."

The proprietary BioFlash® Biological Aerosol Collection and Identification System incorporates rapid, specific, and sensitive detection technology for up to 21 biological threat agents in single test or multi-test formats within minutes. The BioFlash® can be implemented in various scenarios including military force protection, facility security management, as well as field detection/identification and environmental monitoring.

"The creation of the new group, led by Mr. Thomas, who has decades of experience delivering biodefense solutions globally in senior management positions at ETG, Smiths Detection and Sceptor Industries, allows IBI to leverage capabilities and increase focus on each of the environmental and clinical development applications," said Joe Hernandez, President & CEO of IBI. "Leveraging on our recent commercial traction gained by the Environmental Business Group, our clinical applications are initially poised to address the \$4 billion hospital-acquired infection market with a high performance, rapid detection platform for hospital and public health use."

About Innovative Biosensors, Inc.

Innovative Biosensors, Inc. is a privately held company developing novel technologies for the rapid detection of pathogens in biodefense applications and human clinical diagnostics. IBI's technology has been tailored to rapidly and sensitively detect biological threats in building security, military, and civil defense applications. Additionally, the technology platform is being used to develop rapid tests for the detection of hospital-acquired infections. Additional information is available at www.innovativebiosensors.com.

This release may contain forward-looking statements that are subject to certain risks and uncertainties, including Innovative Biosensors, Inc.'s mission to develop and commercialize instrument systems, Innovative Biosensors, Inc.'s ability to develop new technologies to conduct rapid diagnosis. Such statements are based on management's current expectations and are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. Innovative Biosensors, Inc. cautions investors that there can be no assurance that actual results or business conditions will not differ materially from those projected or suggested in such forward-looking statements as a result of various factors, including, but not limited to, the following: Innovative Biosensors, Inc.'s expectations that they will incur operating losses in the near future, the early stage of preclinical and clinical testing and trials, uncertainties surrounding the availability of additional funding, Innovative Biosensors, Inc.'s reliance on research collaborations, the actions of competitors and the development of competing technologies, potential patent infringement claims against Innovative Biosensors, Inc.'s products, processes and technologies, Innovative Biosensors, Inc.'s ability to protect their patents and proprietary rights and uncertainties relating to commercialization rights.

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