

Innovative Biosensors, Inc. (IBI) Expands A Round Financing to Total of \$6.25 Million

College Park, MD, October 16, 2006 – Innovative Biosensors Inc. (IBI), a company developing rapid, ultra-sensitive tests to detect harmful pathogens, today announced that it has expanded its A round to \$6.25 Million in total financing with additional investors, including Chart Venture Partners and CNF Investments, LLC, an affiliate of Clark Enterprises, Inc. (CEI).

In May 2005, IBI closed its first round of Series A financing, which was led by Harbert Venture Partners. Other investors in that round included the New Markets Growth Fund and the Maryland Venture Fund.

The company will use the additional financing to fund development of human clinical assays and commercialization of biodefense testing products.

In conjunction with the additional financing, IBI will welcome Joseph Del Guercio of CNF Investments, LLC, and Cole Van Nice, of Chart Venture Partners, to the Board of Directors.

Mr. Del Guercio is a Principal with CNF Investments. Prior to joining CEI, Mr. Del Guercio was at LPL Financial Services, a Boston and San Diego based independent broker dealer, where he was responsible for strategic planning, new product development, and acquisitions. Prior to LPL, Mr. Del Guercio was at Robertson Stephens and Goldman Sachs, where he focused on mergers and acquisitions, private and public equity financings, and restructurings. Mr. Del Guercio serves on the Board of Ecutel Systems, Vital Sensors, Verax Biomedical, and Alfred Street Partners. Mr. Del Guercio is also a Board Observer with Lipomics Technologies and Overture Technologies. Mr. Del Guercio has an M.B.A. from Harvard Business School and a B.S. from Boston College.

Mr. Van Nice is a Partner at Chart Venture Partners, an early-stage technology venture capital fund focused on homeland defense and security sectors. He joined Chart in 2006 after a decade of experience in international venture capital, private equity, and investment banking. He was previously Vice President of Darby Overseas Investments, the global Emerging Markets private equity and venture capital arm of Franklin Templeton, where he co-founded the firm's technology venture capital business and contributed to the firm's growth in AUM from \$250 million to over \$1.2 billion. From 2001-2006, Mr. Van Nice co-led Darby's early-stage investment activity with a special focus on Brazil and China, and served on the Board of Directors of several successful technology start-ups. Prior to Darby, Mr. Van Nice worked in investment banking and equity research, focusing on international telecommunications, media, and technology sectors for Santander Investment Securities Inc. Mr. Van Nice holds a B.A. from Washington and Lee University and is a CFA charterholder.

“Closing this financing round with CNF Investments and Chart Venture Partners enables the company to bolster its research and development and commercialization efforts relative to the biodefense and human clinical diagnostics markets,” said Joe Hernandez, IBI's President and CEO. “These funds will hasten the availability of rapid tests to markets that desperately need quick, accurate results to assist with critical, time-sensitive decision-making.”

“To make a difference in the biodefense and human clinical markets, you need to provide information instantaneously. We found IBI's CANARY™ technology to offer this real-time information,” said Joe Del Guercio. “At CNF, we are always looking for emerging industry

leaders, and we found that in IBI. We are looking forward to supporting IBI as it shapes the future of pathogen detection.”

“Our investment in IBI is aligned with our interest in dual–use technologies that target the homeland defense and commercial sectors,” said Cole Van Nice. “The company’s technology holds the potential to fill unmet needs for rapid pathogen detection, particularly within biodefense.”

About Clark Enterprises, Inc. (CEI)

Clark Enterprises, Inc. (CEI) is a diversified financial and investment company with significant holdings in construction, real estate and private equity. CEI is the parent company of Clark Construction, one of the largest general contractors in the country. CNF Investments is the private equity and venture capital arm of Clark Enterprises and is an active investor in the biotechnology and medical device, technology, and telecommunications industries. For more information, please visit www.cnfinvestments.com.

About Chart Venture Partners

Chart Venture Partners (CVP) is a technology venture capital fund focused on investments in homeland defense and security sectors, with an emphasis on dual–use technologies of interest to the government and commercial sectors. In exclusive partnership with the U.S Army’s Armament, Research, Development, and Engineering Center, CVP is focused on security technology breakthroughs in need of early stage venture funding. For more information on CVP, please visit www.chartventure.com.

About Innovative Biosensors, Inc.

Innovative Biosensors is a privately held company developing novel technologies for the rapid detection of pathogens. The Company’s technology is expected to have broad applications in food testing, animal health, and human health care, including drug discovery and development and disease diagnosis. 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’ mission to develop and commercialize instrument systems, Innovative Biosensors’ 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 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’ expectations that they will incur operating losses in the near future, the early stage of development of Innovative Biosensors’ products and technologies, uncertainties related to preclinical and clinical testing and trials, uncertainties surrounding the availability of additional funding, Innovative Biosensors’ reliance on research collaborations, the actions of competitors and the development of competing technologies, potential patent infringement claims against Innovative Biosensors’ products, processes and technologies, Innovative Biosensors’ ability to protect their patents and proprietary rights and uncertainties relating to commercialization rights.

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