



Innovative Biosensors, Inc.
15601 Crabbs Branch Way, Rockville,
MD 20855
www.innovativebiosensors.com

Innovative Biosensors, Inc. (IBI) Raises \$11.5 Million

Series B Financing Combines Equity and Debt Capital

Rockville, MD, May 19, 2008 – Innovative Biosensors Inc. (IBI), a company developing rapid, ultra-sensitive tests to identify harmful pathogens, today announced the completion of an \$11.5 million Series B financing which included equity and debt. The Series B was led by Life Sciences Partners (LSP), of Boston, Mass and involved \$9.5M in equity capital. The company also increased its existing debt facility to \$2 million from Silicon Valley Bank, a member company of SVB Financial Group (Nasdaq: SIVB). This financing follows on the prior Series A financing of \$6.25 million raised in 2005. Previous Series A investors, including Harbert Venture Partners, Chart Venture Partners, New Markets Growth Fund and CNF Investments LLC, an affiliate of Clark Enterprises Inc., participated in this round.

The new proceeds will be used to accelerate the commercialization of IBI's sensitive, and rapid biosensor-based technology for the detection of hospital and community acquired infections. Based on the CANARY[®] technology developed at MIT's Lincoln Labs, IBI's technology allows for highly accurate and sensitive diagnostic tests with results available in minutes.

In conjunction with the additional financing, IBI welcomes two new members to its board of directors, Dr. Jorg Riesmeier and Dr. Caroline Popper. Dr. Jorg Riesmeier, a partner in LSP, worked at Burrill & Company, as well as Bayer, and founded his own company which he sold to Adventis. He has a PhD in biochemistry, and vast experience in R&D, business development and strategic planning. Dr. Caroline Popper, the president and co-founder of Popper and Company, has 15 years of hands-on biotech/life sciences operating experience. She has business management experience in both Fortune 500 companies such as Becton Dickinson, and start-up settings and an extensive track record creating strategic and business partnerships in the biotech arena. Joe Hernandez, Will Brooke and Cole Van Nice will remain as members of the Board of Directors.

"Completing this round of financing with LSP and Silicon Valley Bank will ensure the rapid commercialization of our technology in the clinical diagnostic arena. Our success in the environmental marketplace and commercial potential in the IVD space has enticed the interest of additional investors, who may yet join this round," said Joe Hernandez, IBI's President and CEO. "Additionally, bringing an investor such as LSP to the table, a firm who has a great deal of industry knowledge, will help us continue to create value as we look to the clinical market."

"LSP is confident that we can be a partner in commercializing IBI's technology," said Dr. Jorg Riesmeier, who is an LSP partner as well as responsible for LSP's U.S. office in Boston/Cambridge, MA. "Based on the combination of the commercial success of IBI's environmental applications, the technical feasibility demonstrated in the field of

hospital acquired infections, and the very capable executive team, we are confident in the company's future success."

"SVB partnered with Joe Hernandez and IBI many years ago and we have been dedicated to its success ever since," said Megan Scheffel, senior relationship manager of Silicon Valley Bank's Virginia office. "It's exciting for us to be a part of its growth and we're committed to providing the company the financial resources it needs to reach its goals."

About Life Sciences Partners

LSP is a leading independent European-rooted venture capital firm, providing private equity financing to early- to mid-stage life-science companies. Since the late 1980s, LSP's management has invested in a large number of highly innovative enterprises, many of which have grown to become leaders of the global life-science industry. With \$ 500 million under management and offices in Amsterdam, Munich and Boston, LSP is one of the most experienced specialist life-science investors. Additional information is available at www.lspvc.com

About Silicon Valley Bank

Silicon Valley Bank is the premier commercial bank for emerging, growth and mature companies in the technology, life science, private equity and premium wine industries. Silicon Valley Bank provides a comprehensive suite of financing solutions, treasury management, corporate investment and international banking services to its clients worldwide. Through its focus on specialized markets and extensive knowledge of the people and business issues driving them, Silicon Valley Bank provides a level of service and partnership that measurably impacts its clients' success. Founded in 1983 and headquartered in Santa Clara, Calif., the company serves clients around the world through 27 U.S. offices as well as operations in China, India, Israel and the UK. Silicon Valley Bank is a member of global financial services firm SVB Financial Group, with SVB Analytics, SVB Capital, SVB Global and SVB Private Client Services. More information on the company can be found at www.svb.com.

About Innovative Biosensors, Inc.

Innovative Biosensors, Inc. is a privately held company developing novel technologies for the rapid detection of pathogens for human clinical diagnostic and biodefense applications. The technology platform is being used to develop highly-sensitive and rapid tests for the detection of hospital-acquired infections. Additionally IBI's technology has been tailored to detect biological threats in building security, military, and civil defense applications. 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.

Silicon Valley Bank is the California bank subsidiary and the commercial banking operation of SVB Financial Group. Banking services are provided by Silicon Valley Bank, a member of the FDIC and the Federal Reserve.

Contact:

Joe Hernandez

President and CEO

Innovative Biosensors, Inc.

Phone: 301.517.0324

www.innovativebiosensors.com

info@innovativebiosensors.com