

INJET DIGITAL AEROSOLS LIMITED

31 May 2010

DISCLOSURE NOTICE

The Board of InJet Digital Aerosols Limited ("InJet") would like to update shareholders on the status of the Company following the close of the recent Rights Issue in March.

In 2009, Canon, the licensee of the InJet inhalation technology advised the Company that it had placed on hold the project for the development of an inhalation device utilising the licensed InJet technology.

With uncertainty surrounding the likelihood of Canon commercialising their device, the Board pursued a proposed licensing arrangement with both Canon and an American-based entity which would see both InJet and the American entity conduct clinical trials and potentially develop new intellectual property using the inhalation device developed by Canon. This strategy would return some level of control over the development timeline to InJet and open potential new sources of revenue should new IP be developed by the Company.

Pursuant to InJet's Rights Issue Offer dated 7 September 2009 ("Offer"), InJet raised \$183,700 by issuing 183,700 shares and 183,700 options (exercisable at \$1 per option; expiry date of 30 June 2014) on 31 December 2009. The closing date for the application for Shortfall Shares under the Offer was extended to 31 March 2010 and the Company received a total of \$66,617 of application monies for Shortfall Shares.

Subsequent to the allotment of Rights Issue shares, InJet was advised by the American entity with whom it was hoping to enter licensing arrangements that it would not be proceeding with the licensing transaction proposed by InJet.

As a result of the decision of the American entity to withdraw from negotiations with InJet, the Board decided to return the total amount of \$66,617 of application monies received by the Company after 31 December 2009.

Regards,

Michael Monsour

MICHAEL MONSOUR

Chairman