

InJet Digital Aerosols Limited

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ASIC Disclosure Notice

Date: 12 March 2007

Subject: Company Update

Analytica Takeover Offer

InJet Digital Aerosols Limited (IDAL) wishes to advise that Analytica Limited has withdrawn its offer to potentially acquire all of the issued capital in IDAL.

Analytica withdrew their offer after they determined that it would be unlikely that they would secure a controlling interest in IDAL. It was to be a condition of Analytica's offer that holders of 90% of the issued capital in IDAL accept the Analytica offer.

Canon Licensing Agreement

In February, IDAL Chairman Dr Michael Monsour and fellow Director Mr Stephen Goodall travelled to Japan to meet with Canon Inc to discuss the progress being made by Canon in the development of their inhalation device. IDAL have licensed technology to Canon to be used in the development of their device.

While Canon continues to retain strict confidentiality surrounding their program, they reaffirmed to IDAL their commitment to their inhalation device project and were positive about the potential commercial success of their device.

The IDAL directors maintain their expectation that a royalty will be received from Canon, however are not in a position to reliably determine the timing or amount of the expected future royalty.

Capital Raising

The IDAL board are currently planning a capital raising to meet the ongoing working capital requirements of the Company. The main expenditure incurred continues to be the maintenance of IDAL's patent portfolio and these costs will continue to be incurred for the life of the patents. It is expected that the documentation will be received by Shareholders by May 2007.