

Company Announcement

10 August 2007

RHT: Resonance Health to focus on commercial development of FerriScan[®]

The company has for over a year been negotiating to purchase US based pathology businesses. Disappointingly, over that time there has been a marked shift in the valuations of small US based pathology businesses to a point where negotiations have become harder and purchase prices more expensive, making the rollup strategy (acquiring a number of such laboratories creating management and operational synergies) more difficult to accomplish.

It has therefore become apparent to the Directors that the company is not able to acquire suitable pathology operations on terms that are favourable to increasing long-term shareholder value. Accordingly the company has decided to cease this acquisition strategy and will focus on the commercial development of the FerriScan[®] technology.

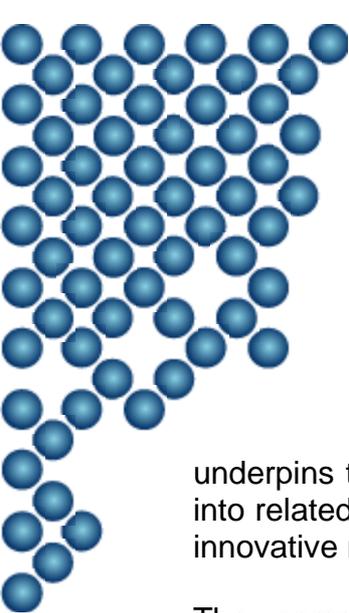
As a result, the directors have released Stanmore Capital Partners, LLC (“Stanmore”) from their role as corporate advisors. During their engagement Stanmore has introduced major shareholders to the company, raised substantial capital for Resonance, reduced the company’s operational overhead to a sustainable level and helped negotiate a solid interim commercial contract with Resonance’s major customer. Mr Michael Dalsin and Mr Roger Greene, both of Stanmore, have also resigned as directors of the company. The Board thanks them for their substantial time and effort over the past eighteen months.

In addition, the Chairman Dr Gary Pace, has resigned due to increased work commitments. We sincerely thank Gary for his efforts.

Mr Ian Anderson, a director of the company since May 2005, has been appointed Chairman.

The company has also terminated the contract of our US based CEO, Mr Ed Dooling, who was appointed to lead the pathology business acquisition strategy. We also wish to thank Ed for his efforts.

Resonance Health today is financially sound, with cash reserves of \$2.0 million and the core FerriScan[®] business unit growing and operating profitably. Whilst the business is dependent on a strong relationship with FerriScan’s[®] largest customer, the Directors are confident this relationship will continue, and are focused on broadening the company’s revenue base. With the increasing demand for the FerriScan[®] service, Resonance Health has formally engaged consultants to assist with efforts to obtain health insurance reimbursement for FerriScan[®] in Australia, Europe, and the United States. This decision



underpins the Board's commitment to the growth of FerriScan[®] revenues and expansion into related services and technologies, including the review of the market potential for the innovative non-invasive diagnostic test for liver fibrosis, FibroScreen[™].

The company has successfully established quality accredited infrastructure and procedures for the electronic handling and analysis of radiological images in a regulated and quality controlled environment. The demand for these services is growing and we are now ideally positioned to take advantage of the increasing demand for the quantitative analysis of radiological images and the quality control of patient related data.

The company continues with a strong focus on cost management, while expanding into technologies and services complimentary to the skills and infrastructure now firmly established at Resonance Health.

By Order of the Board

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