



10 August 2005

The Listing Manager
Australian Stock Exchange Limited
Level 8, 2 The Esplanade
PERTH WA 6000

Dear Sir

Boeing and SMS Commercial License Agreement

The Directors of Structural Monitoring Systems plc (ASX: SMN) are pleased to announce that the Company has entered into a commercial license agreement with the US aircraft manufacturer The Boeing Company.

The agreement establishes the commercial terms and Boeing proprietary information access rights to enable the Company's Comparative Vacuum Monitoring (CVM™) systems to be manufactured, certified, sold and distributed by the Company to the operators of Boeing commercial aircraft.

The agreement also establishes the terms under which Boeing will provide technical services and assistance to the Company.

The Company is also involved with Boeing, the Federal Aviation Administration (FAA) and two US airline operators to have CVM™ technology qualified. This program is scheduled to be completed during the second half of 2006.

The significance for the Company of this program and the license agreement is that the CVM™ technology can be used to address certain structural inspection requirements in difficult, time consuming and costly access locations in Boeing commercial aircraft.

The Company is currently having discussions with Boeing with the aim of establishing a program to identify the most suitable applications for CVM™ systems, the results of which are then intended to focus the development of CVM™ installation kits that will be progressively rolled out on to Boeing aircraft after a successful completion of the industry evaluation and use of licensed Boeing support.

Structural Monitoring Systems plc (SMN) is proud to be working with highly regarded firms in the aviation industry to enable a significant proportion of operators of Boeing commercial aircraft to potentially benefit from using CVM™ systems to reduce the cost of airframe inspection related maintenance and increase aircraft availability.

Australian Office

Unit 5, 15 Walters Drive Osborne Park, WA 6017
Telephone: +61 8 9204 4844 ~ Fax: +61 8 9204 4866

United Kingdom Office

4 Elwick Road, Ashford, Kent TN23 1PF, United Kingdom ~ Telephone: +44 (0) 1233 666795 ~ Fax: +44 (0) 1233 646840

ARBN 106 307 322

A public limited liability company incorporated under the laws of England and Wales.

Enquires regarding the above announcement or any aspect of the Company's commercialisation program can be directed to Mark Vellacott, Chief Executive Officer on (08) 9204 4844.

For and on behalf of
STRUCTURAL MONITORING SYSTEMS plc

Colin McDonald
COMPANY SECRETARY
10 August 2005