

8 January 2008

NZX PRESS RELEASE

The Directors of Cynotech Holdings Ltd announce that 93,445 additional Convertible Preference shares have been issued under the Rights issue actioned over the Christmas period.

In total Shareholders subscribed for entitlements of 16,002,703 convertible preference shares, and a further 5,881,343 of oversubscriptions, giving a total of 21,884,046 Convertible Preference shares on issue.

Following the allotment of additional Convertible Preference shares the Bonus issue of Ordinary shares at the ratio of 1:10 on holdings of Ordinary shares and Convertible Preference shares was effected. The total number of additional Ordinary shares issued under the Bonus issue was 9,344 bringing the total number of ordinary shares on issue to 92,402,713

Additionally Bonus warrants at the ratio of 1:10 on Ordinary shares and the additional Convertible Preference shares were also issued totaling 9,344, bringing the total warrants on issue to 28,183,127 warrants.

The receipt of the rights entitlement documentation has been validated and this ends the issue of Convertible Preference shares, and subsequent Bonus issue (noting the Bonus shares on Convertible Notes has not yet been allotted).

-Ends-

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