



Company Announcement

3 March 2008

Avastra Sleep Centres Limited (ASX: AVS): Avastra Announces Further Actions to Support Its Growth Initiatives

Further to the company announcement of 23 January 2008, the Avastra Board is pleased to advise that significant progress has been made in transitioning the organisation to take full advantage of acquisitions made to date.

This announcement will address the following areas:

1. Board changes
2. CFO appointment
3. Restructuring of Stanmore Capital agreement
4. Reductions in Corporate overhead

Board Changes: Avastra is pleased to announce Dr. Steven Hull, CEO, has been appointed as an executive Director to the Board of Directors. Dr. Hull's industry knowledge and business acumen will be an influential element in the decisions of the Board moving forward. We anticipate further board changes to reflect progress.

CFO Appointment: We are delighted to announce that James Klingler has accepted the position of Executive Vice President and CFO for Avastra and will be starting on March 31, 2008. James brings over 30 years of financial expertise to Avastra with experience in both the health services industry and public company financial leadership. In his current position, Senior Vice President, CFO for North American Scientific, Inc. (NASDAQ: NASI) he was responsible for directing all financial activities including financial and SEC reporting, Corporate Finance, Information Technology and Accounting. James received his BA from Ohio State University and his MBA from the prestigious Columbia University, Graduate School of Business.

Restructuring of Stanmore Capital Agreement: Stanmore Capital has agreed to substantially reduce their operational role in Avastra. Effective immediately, Stanmore Capital will solely advise on M&A matters and has agreed to the significant reduction of their fee structure.

Reductions in Corporate Overhead: While organic revenue growth and growth through acquisitions will continue to be the main focus of the company, reducing costs in corporate overhead will improve profit margins immediately. In our continuing effort to maximize shareholder value, Avastra is committed to taking full advantage of synergies within our corporate structure. As a result of realigning responsibilities through the new geographic restructuring (See announcement from January 23, 2008), we have reduced the dependency on Corporate services. Due in part to this restructuring, Mr Kai Wenk-Wolff has resigned from his role as Chief Operating Officer.

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Dr. Steven Hull, Chief Executive Officer, commented, "As we enter into this new era, I see these changes as extremely favourable and essential to the future success of Avastra. Furthermore, with the support of our new CFO, we will be implementing a more efficient structure that will provide the backbone for higher earnings growth, while maintaining our excellent patient care. I look forward to talking to interested investors about these changes during my upcoming visit to Australia scheduled for March 10- 13, 2008."

By Order of the Board.

For further information contact Charles King, Company Secretary on +61 418 113 487.