Bayer Agreements and Revision of Corporate Strategy

SYDNEY, AUSTRALIA 24 AUGUST 2011: Tyrian Diagnostics Limited ("**Tyrian**" or the "**Company**") (ASX:TDX) announced today that some or all of its agreements with Bayer CropScience AG for the development and commercialisation of agriculture diagnostic products using Tyrian's proprietary DiagnostIQ™ platform are likely to be terminated. As a result, Tyrian now intends to review its strategic options.

Tyrian and Bayer CropScience AG have several existing agreements including a licence agreement, development and evaluation agreement and supply agreement relating to the development, licensing and supply of DiagnostIQ tests and Readers for defined agricultural fields. We are currently negotiating with Bayer CropScience AG a possible termination of the licence agreement and the details of the termination of the development and evaluation agreement and supply agreement.

Tyrian's business plan was to use the revenues from the sale of its agriculture diagnostics products, by its commercialisation partner Bayer CropScience AG, to fund the longer term development of point-of-care medical diagnostics on its DiagnostIQ platform. However, continuing delays in commercialising the agriculture products, combined with lower-than-expected sales forecasts, have unfortunately impacted Tyrian's cash flow outlook significantly and it is clear that these products will not generate sufficient income to sustain this strategy.

The ReadRite Alpha Amylase wheat quality test showed a high level of precision and accuracy in evaluation trials conducted in Canada over the past two years. However, it became evident that extensive marketing efforts would be needed to unseat the entrenched gold standard test. Bayer CropScience AG has now also advised of its decision not to invest further in continued development of its second agriculture diagnostic product.

After careful consideration, Tyrian has decided to immediately reduce operating costs to a minimum and conserve available cash. Tyrian will continue to pursue negotiations for the licensing and/or sale of its core intellectual property assets, including its DiagnostIQ technology platform and TB biomarker patents, while also considering alternative strategic options.

The Company's cost reduction plan will include terminating all material contracts and making all employees redundant by the end of November 2011. Dr Jenny Harry CEO and other key executives will be available until February 2012 to assist with the pursuit and implementation of the licensing or sale of the Company's core intellectual property assets and other alternative strategic options.

The Company estimates that the costs of implementing this revised strategy, including redundancy payments and early termination payments under contracts, will be approximately $1.6million. After implementing these changes, the Company estimates that it will have sufficient cash reserves to fund its reduced operations for a further 18 months.

Roger Amos, Chairman of Tyrian, said "*The outcome of Tyrian's partnership with Bayer is most disappointing. Tyrian has invested considerable time and resources into developing these agriculture products and expected to generate near term revenues to support the longer term development of the company's medical diagnostics products. It recently became clear that these revenues would not be realised in the near term and the decision to revise the company's strategy has obviously been a very difficult one for the Board. However, we believe that concluding the agreements with Bayer and immediately reducing operating costs are in the best interests of shareholders. These measures will maximise the prospects of realising value from Tyrian's existing intellectual property assets while at the same time allowing us to consider strategic alternatives that will deliver maximum value to our shareholders in the future*".

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