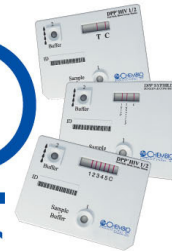




DIAGNOSTIC SYSTEMS, INC.

Rapid Tests for Earlier Treatment



Investor Presentation

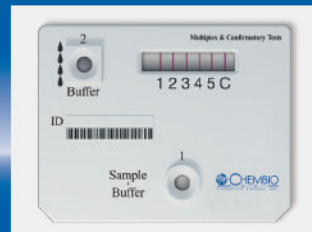
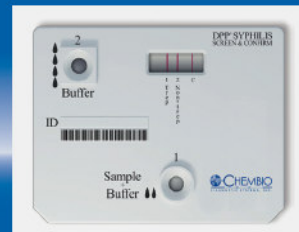
November 2009

Forward Looking Statements



Statements contained herein that are not historical facts are forward-looking statements within the meaning of the Securities Act of 1933, as amended. Those statements include statements regarding the intent, belief or current expectations of Chembio and its management. Such statements reflect management's current views, are based on certain assumptions and involve risks and uncertainties. Actual results, events, or performance may differ materially from the above forward-looking statements due to a number of important factors, and will be dependent upon a variety of factors, including, but not limited to, Chembio's ability to obtain additional financing and the demand for Chembio's products. Chembio undertakes no obligation to publicly update these forward-looking statements to reflect events or circumstances that occur after the date hereof or to reflect any change in Chembio's expectations with regard to these forward-looking statements or the occurrence of unanticipated events. Factors that may impact Chembio's success are more fully disclosed in Chembio's most recent public filings with the U.S. Securities and Exchange Commission

- Medford, NY Manufacturer of Proprietary Point of Care Rapid Diagnostic Tests – 100 Employees
- FDA Approved Lateral Flow (LF) Rapid HIV Tests
 - Marketed in the U.S. by Inverness Medical. Sales Increase thru Q3YTD of 120% to \$3.45MM vs. \$1.57MM in 2008.
- Total Revenues through 9 Months of \$10.3MM, up 19.6%. Profitable in Q2, Q3 and YTD.
- New Product Pipeline Enabled by Patented Dual Path Platform (DPP®) Rapid, Point-of-Care-Testing (POCT) Platform



Point of Care Single and Multiplex Test Development, Manufacturing, & Licensing

Organization & Management Team



Lawrence Siebert, CEO & Chairman

Richard Larkin, CFO

Javan Esfandiari, Sr. VP R&D

Rick Bruce, VP Operations

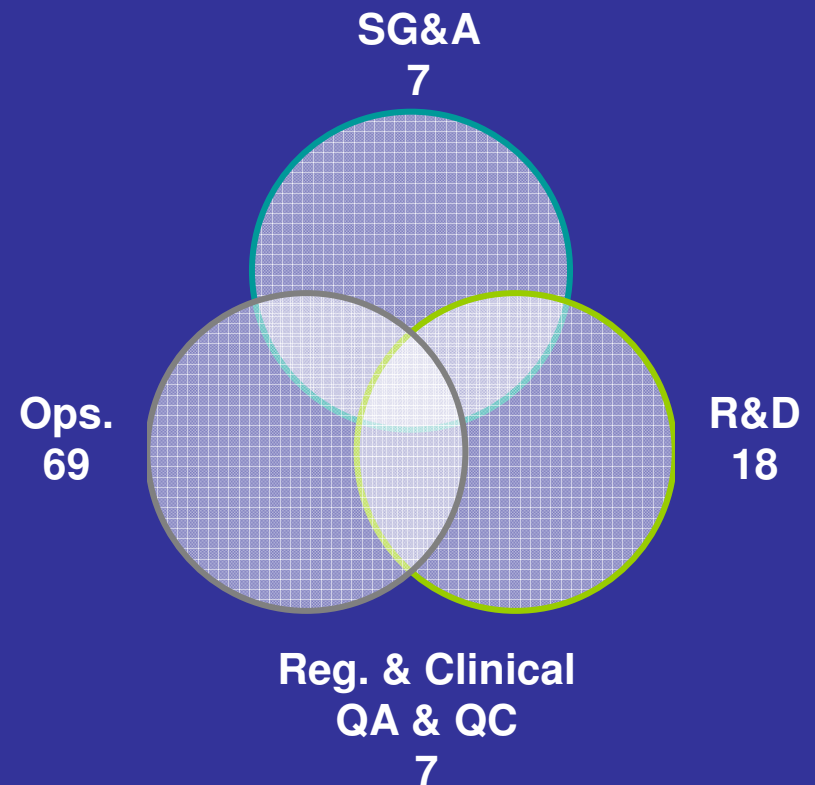
Tom Ippolito, VP Reg., QA/QC

Sandy Speer, Dir. Client Serv.

Dr. Gary Meller, Director

Katherine Davis, Director

**Total Employment
Approx. 100**



Regulatory Approvals Provide Access to Large, Diverse & Global POCT Markets



U.S. Food and Drug Administration
CENTER FOR BIOLOGICS EVALUATION AND RESEARCH



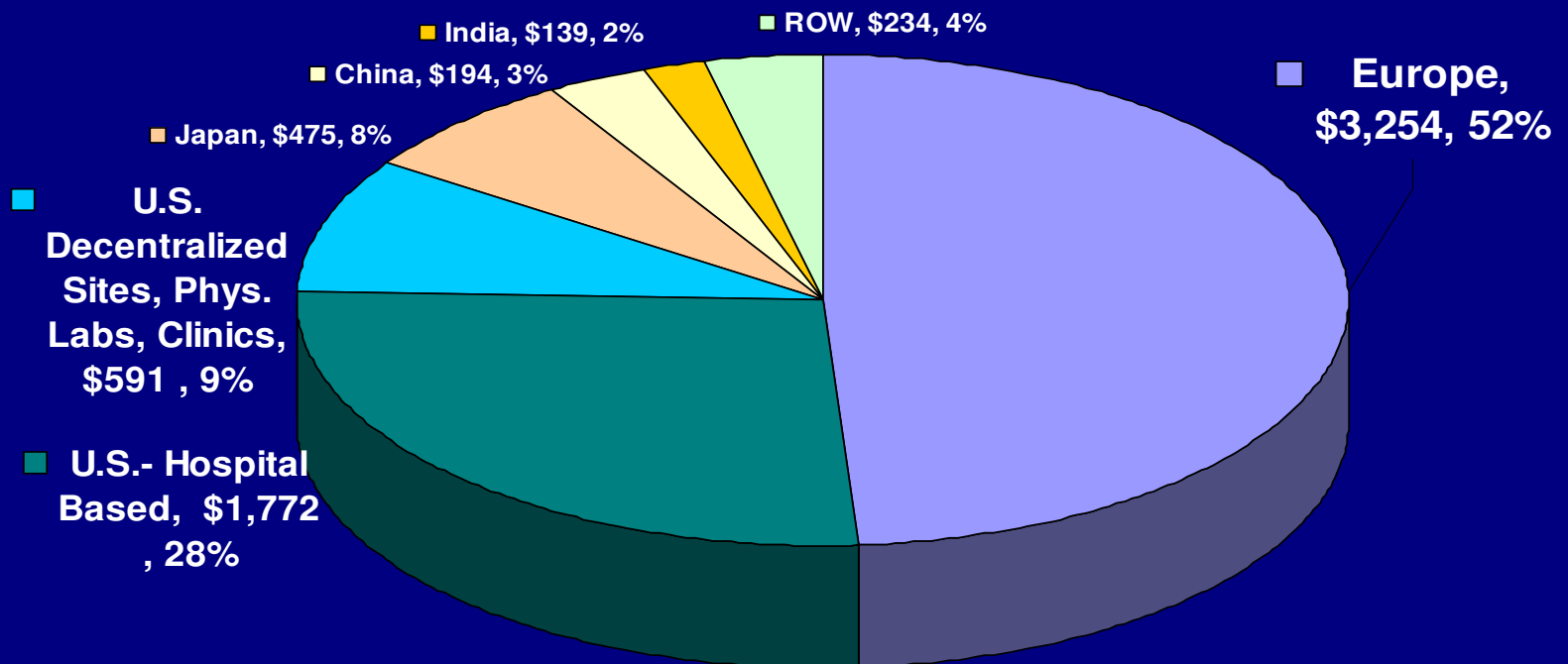
Two FDA-Approved PMA's

USDA-Approved Facility & Product Licenses

ISO Certified for Global Markets

\$6.7B Global Point of Care Test (POCT) Market

Worldwide Distribution of POCT Sales (in \$ Millions) and Worldwide Market Shares



At 7% Projected Increases, even with Large Low-Growth Segments (e.g., Glucose), Global POCT Market is Fastest Growing Segment of \$39.5B In-Vitro Diagnostics Market, Projected to Reach \$8.8B by 2012

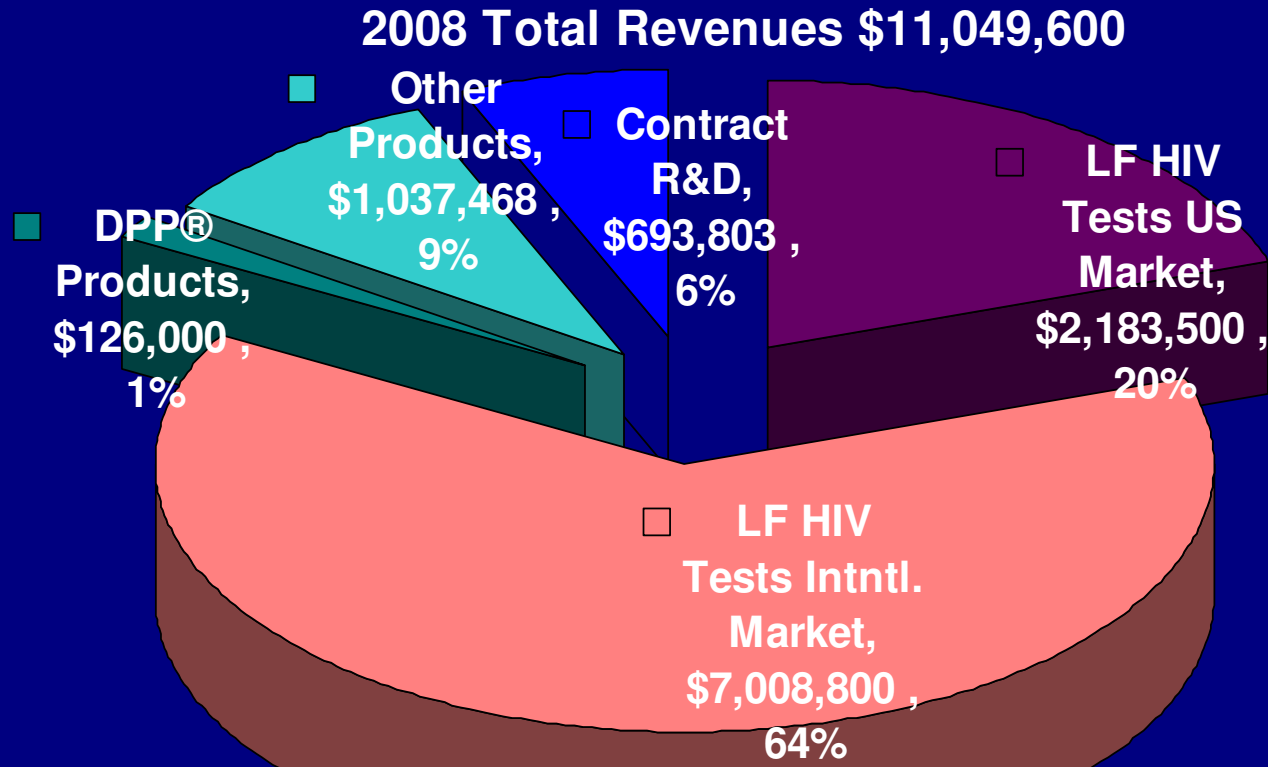
Source: Independent Market Research Report

POCT Market Drivers

- **Reduce Patient Stays and Costs, Improve Patient Outcomes with Prompt & Early Diagnosis**
 - Improve Therapeutic Intervention
 - Prevent Needless Admissions
 - Simplify Testing Procedures to Reduce Testing Costs
 - Avoid Delays from Central Lab Batching
 - Eliminate Need for Return Visit (s)



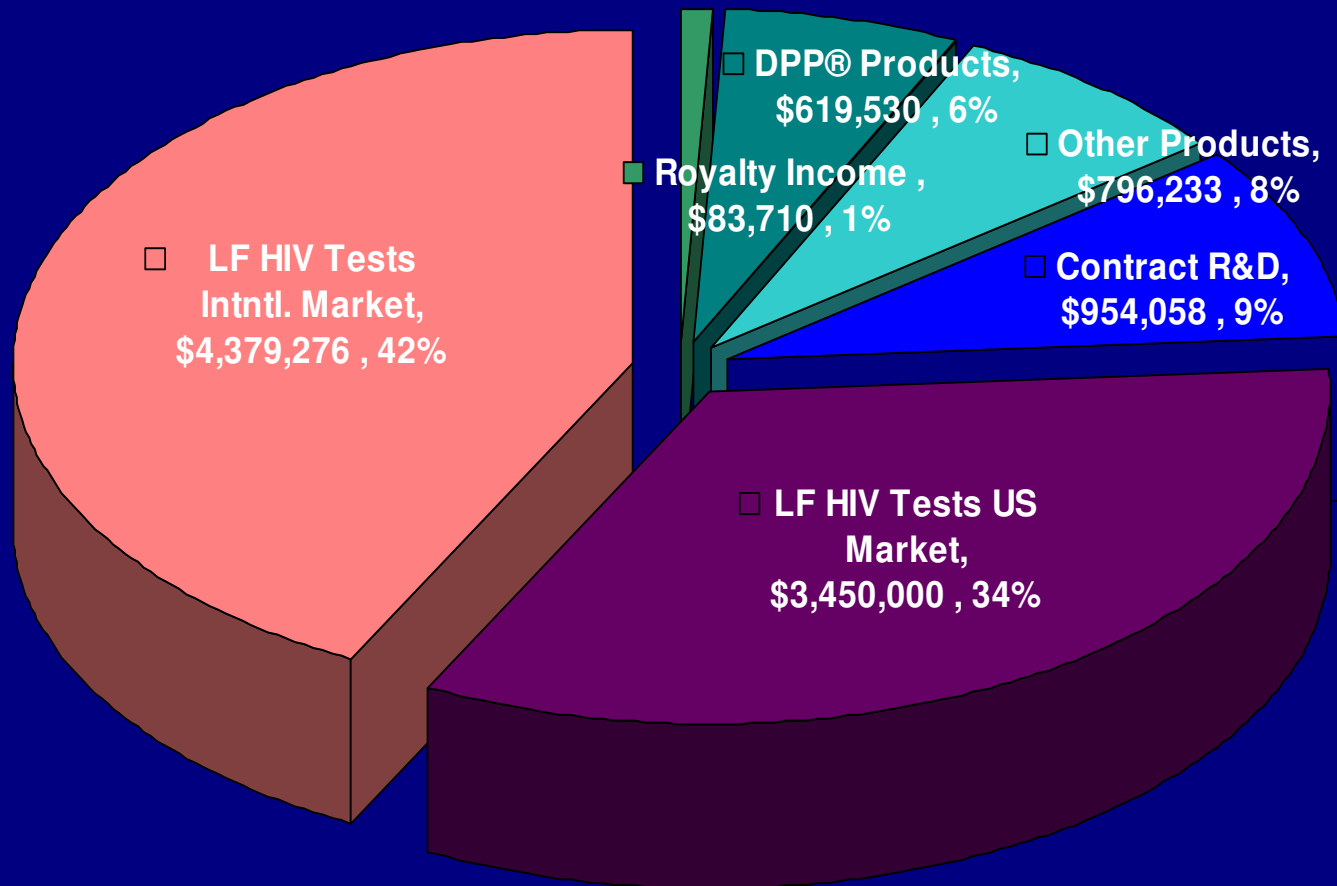
Overview of Current Products & Revenue 2008



Overview of Current Products & Revenue YTD

Increases from U.S. Market, DPP® and R&D Contracts

Nine Mos. Ended 9/30/09 - Total Revenues \$10,282,807



FDA Approved Rapid HIV Tests

Distributed in US Exclusively by Inverness Medical

- **120% YTD Increase thru Q3 in US Market Revenues**
 - \$3.45MM vs. \$1.570MM
 - Gains Based Upon Market Expansion and Increased Market Share
- **Competitive Features**
 - CLIA Waived
 - Two Formats
 - 99.7% Sensitivity; 99.9% Specificity
 - Proprietary Formulation Enables 24 Month Stability
 - Strong Marketing Partner



Chembio's Rapid HIV Tests are Distributed Globally



HIV 1/2 STAT-PAK™ Dipstick Rapid Assay

HIV 1/2 STAT-PAK® Rapid Assay

A rapid qualitative screening assay for the detection of antibodies to HIV 1 & 2 in human serum, plasma or whole blood

Convenient and Cost Effective

- Ideally suited for field and point-of-care testing
- Minimal sample size (5ul) – fingerstick or venous whole blood, serum or plasma

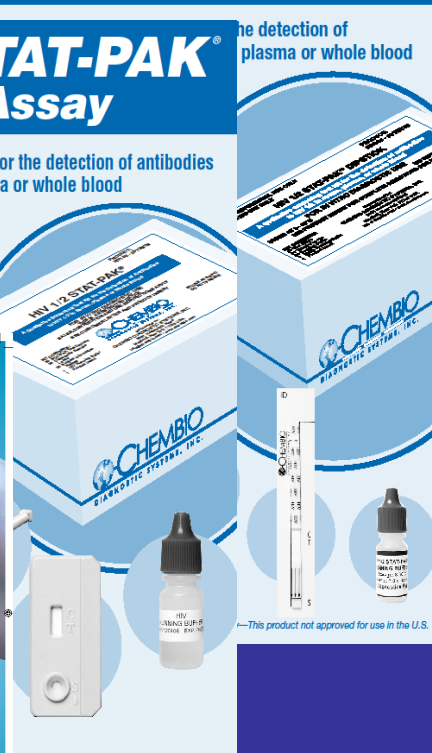
the detection of plasma or whole blood

SURE CHECK® HIV

Collect • Process • Analyze
3 in 1



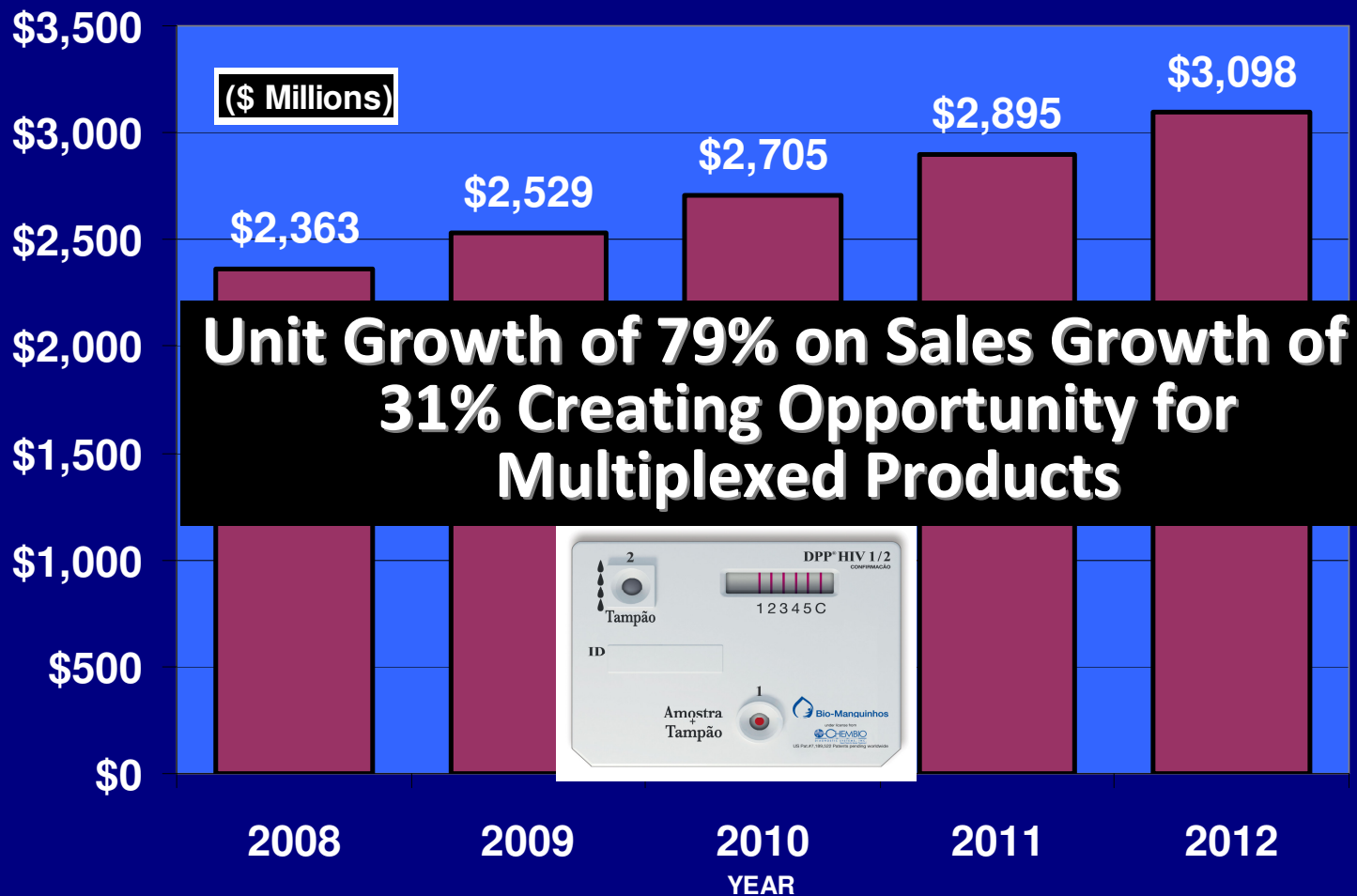
- Sample collection, processing and analysis in one device
- Individually packaged for use as needed
- Fingerstick sample
- Uses only 3ul of whole blood
- On-site results in minutes
- Room temperature storage



—This product not approved for use in the U.S.

- Approved for Procurements by UN,WHO, CDC/USAID (PEPFAR)
- Registered/Approved in several countries in South America, Asia, and Africa
- CE Mark Pending

Estimated Projected Total Annual Sales of U.S. POCTs 2008-2012

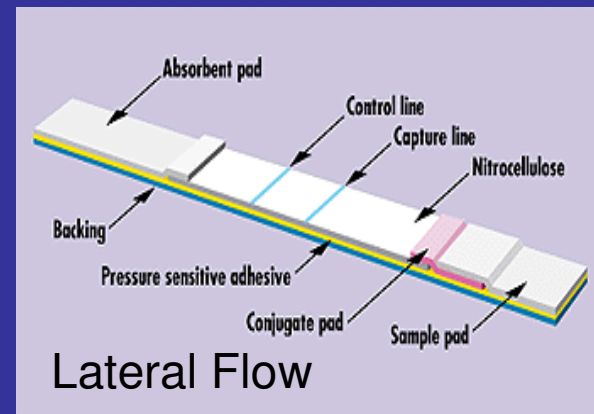
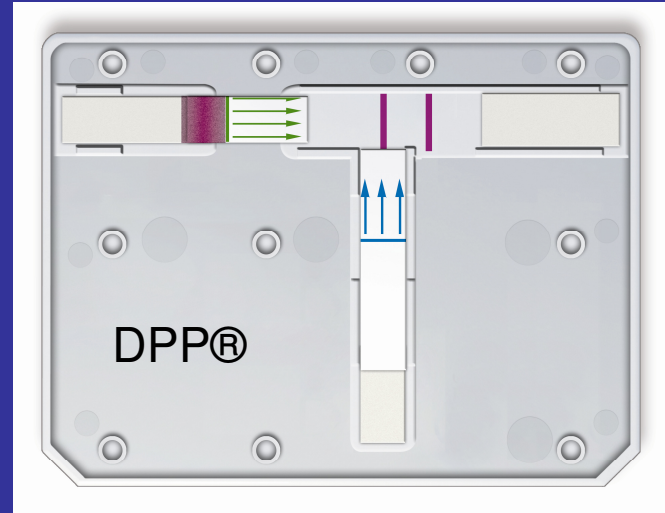


Source: Independent Market Research Report

PATENTED DUAL PATH PLATFORM (DPP®)

KEY DESIGN AND PERFORMANCE ADVANTAGES vs. LATERAL FLOW

- Independent Sample Flow Path Enables Improved Sensitivity & Use of More Challenging Sample Types
- Improved Multiplexing Facilitated by Direct Binding, Uniform Delivery of Samples
- US Patent #7,189,522. Patent Protection Pending Worldwide



DPP® Global Health Products

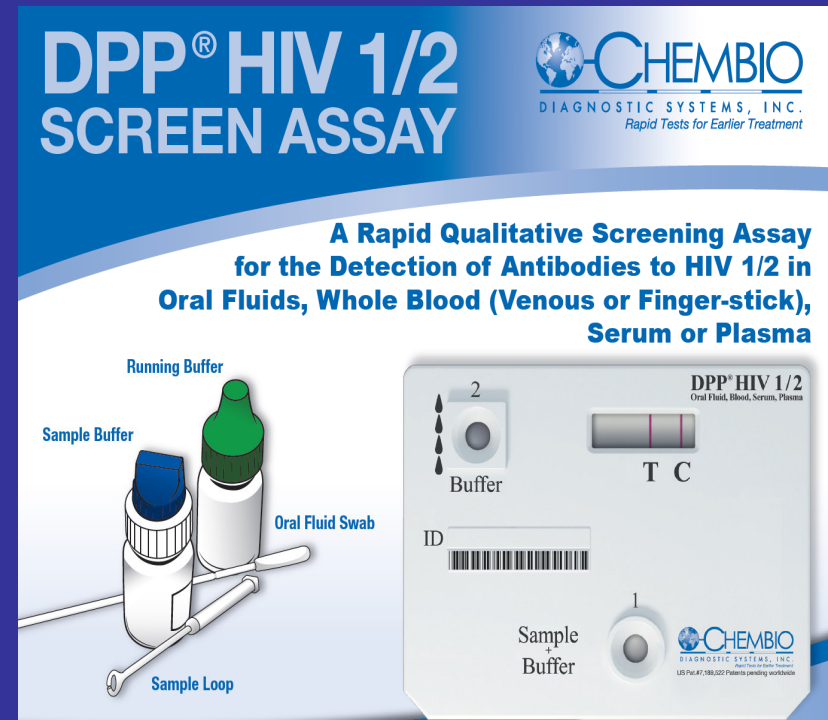
- Four New Products for Brazilian Public Health Including Five Band POC HIV Confirmatory Test
- Three Year \$3MM NIH SBIR Phase II Grant for Human Leptospirosis



DPP® Point of Care Test	Collaborating Organization
Tuberculosis	FIND
Malaria	FIND
HIV 1/2 Confirmatory Test	FIOCRUZ
Neglected Diseases: Leishmaniasis, Chagas, Leptospirosis, Leprosy	IDRI, NIH, FIOCRUZ

DPP[®] HIV 1/2 Screen Assay

- Designed for Use with Oral Fluid & Blood
- \$50MM/5MM Unit US Market Growing 15-20%/Year
- Opportunity to Gain Market Share from Sole Competitor
- US Clinical Trials Commencing Q4 2009



DPP[®] HIV 1/2 SCREEN ASSAY

CHEMBIO
DIAGNOSTIC SYSTEMS, INC.
Rapid Tests for Earlier Treatment

A Rapid Qualitative Screening Assay for the Detection of Antibodies to HIV 1/2 in Oral Fluids, Whole Blood (Venous or Finger-stick), Serum or Plasma

Running Buffer
Sample Buffer
Oral Fluid Swab
Sample Loop

DPP[®] HIV 1/2
Oral Fluid, Blood, Serum, Plasma

2
Buffer
T C

ID

Sample Buffer

CHEMBIO
DIAGNOSTIC SYSTEMS, INC.
US Pat. #7,188,022 Patents pending worldwide



DPP[®] Syphilis Screen & Confirm

- First POCT For Syphilis In US
- Provides Better Indication Of Active Disease
- Enables Confirmation & Treatment At POC
- Pre-natal Testing
- FDA Pre-IDE Submitted Q3

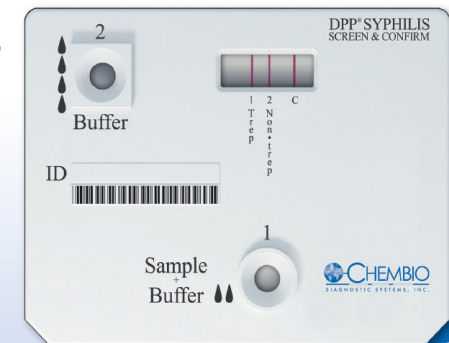
**DPP[®] SYPHILIS
SCREEN & CONFIRM**

CHEMBIO
DIAGNOSTIC SYSTEMS, INC.
Rapid Tests for Earlier Treatment

*The Only Assay to Detect Both Disease Markers
Simply at the Point of Care*

A rapid assay for the detection of non-treponemal and treponemal antibodies to syphilis in whole blood (venous or fingerstick), serum or plasma

- FDA Clearance & CLIA waiver anticipated 2010
- No Return Visits for 2nd Test Needed
- Enables treatment at Point of Care
- Optional Portable Reader Available



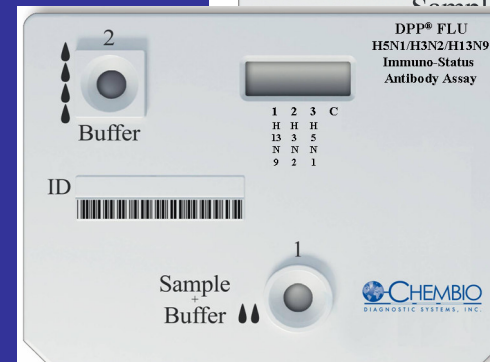
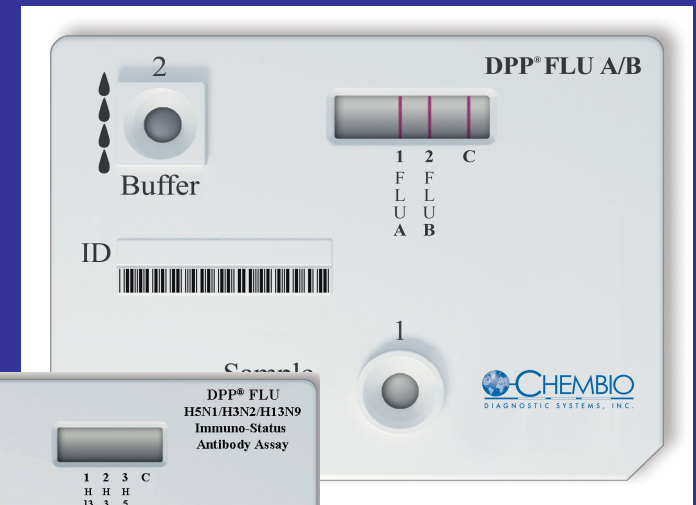
**Developed in collaboration
with the U.S. Centers for
Disease Control**

CHEMBIO
DIAGNOSTIC SYSTEMS, INC.
Rapid Tests for Earlier Treatment

INFLUENZA

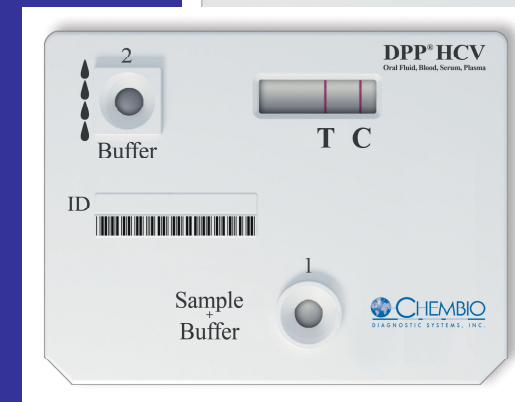
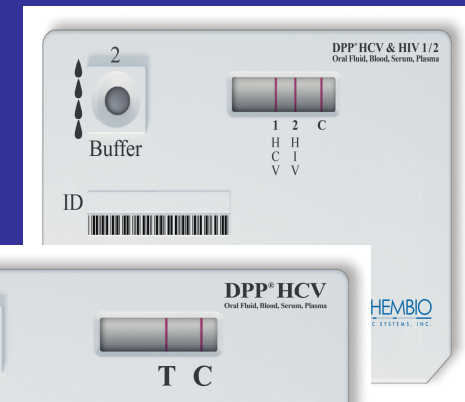
MULTIPLEX ANTIGEN & IMMUNITY TESTS

- Current Lateral Flow Rapid Tests Need Improvement
- Initial Data Show Improved Performance with DPP®
- Multiplex Immune Status Serology Test H1N1 Project



Hepatitis-C (HCV) & HIV/HCV Comb.

- **Estimated 3MM HCV Infections in US**
 - Only 22% Diagnosed
 - 25% Co-infection with HIV
 - Major Cause of Liver Disease
 - New therapeutics from Vertex, etc. will drive demand for Dx
- **No HCV Point of Care Test in US**
- **Chembio Participating in Pre-Clinical CDC Study with both prototypes**



Base Business & DPP[®] Product Pipeline



	R&D	Pre-Clinical	Validation	Clinical Testing	Commercial Product(s)	Est. US Mkt Size	# of U.S. Compet.
HIV and Other Lateral Flow Rapid Tests; Contract R&D	CEMI lateral flow product revenues of \$5.0 MM @6/30 YTD include \$2MM in U.S. rapid HIV tests					\$15MM (blood)	1
DPP[®] Product Pipeline							
3 OEM Products for Brazil MOH	→				Est. \$12MM Min. Purchases 2009-2012	NA	n/a
HIV Oral Fluid	→					\$35 MM (oral fluid)	1
Syphilis Screen & Confirm	→					\$50 MM	0
Hepatitis -C (HCV) & Combo HIV/HCV	→					\$50 MM	0
Influenza	→					\$250 MM	6
Global Health Products	→				Donor Funded Demand		n/a

Selected Comparative Historical Financial Results 2005-2008 and 9 Mos. Of 2009



\$(000s)	9 Mos Ended		For the Years Ended		
	Sept 30, 2009	2008	2007	2006	2005
Total Revenues	\$ 10,283	\$ 11,050	\$ 9,231	\$ 6,503	\$ 3,941
Cost of sales	6,053	7,198	6,435	4,894	2,996
Gross Profit	4,230	3,852	2,796	1,609	945
	41.1%	34.9%	30.3%	24.7%	24.0%
R&D Expense	2,127	2,605	1,907	1,402	1,365
SG&A Expense	2,002	3,317	3,765	4,787	2,878
Operating Income (Loss)	100	(2,071)	(2,876)	(4,580)	(3,298)
Other Inc. (Expense)	(8)	122	249	(415)	46
Net Income (Loss) - Stkhldrs	92	(1,949)	(2,627)	(4,995)	(3,252)
Pref. Stock Expenses	-	-	5,645	3,210	3,517
Net Loss	\$ 92	\$ (1,949)	\$ (8,272)	\$ (8,205)	\$ (6,769)
Net Income (Loss) - per Share	\$ 0.00	\$ (0.03)	\$ (0.57)	\$ (0.80)	\$ (0.88)
Avg. No. Shares (Millions)	61.945	61.267	14.608	10.293	7.705
Working capital	\$ 2,098	\$ 1,664	\$ 3,229	\$ 5,113	\$ 831
Total assets	6,342	5,915	6,585	7,907	3,016
Total liabilities	3,534	3,338	2,322	2,297	1,964
Equity (Deficit)	2,808	2,577	4,263	(940)	1,053

Selected Comparative Historical Financial Results

Quarter and YTD 9/30/2009 & 9/30/2008

Selected Comparative Historical Financial Data

Quarter Ended Year Ended \$(000s)	Three Mos Ended		Nine Mos Ended	
	Sept 30, 2009	Sept 30, 2008	Sept 30, 2009	Sept 30, 2008
Total Revenues	\$ 4,364	\$ 3,516	\$ 10,283	\$ 8,598
Cost of sales	2,495	2,125	6,053	5,362
Gross Profit	1,869	1,391	4,230	3,236
	42.8%	39.6%	41.1%	37.6%
R&D Expense	777	759	2,127	1,952
SG&A Expense	784	868	2,002	2,696
Operating Income (Loss)	308	(236)	100	(1,412)
Other Inc. (Expense)	(1)	(1)	(8)	14
Net Income (Loss) - Stkhldrs	307	(237)	92	(1,398)
Net Loss	\$ 307	\$ (237)	\$ 92	\$ (1,398)
Net Income (Loss) - per Share	\$ 0.005	\$ (0.004)	\$ 0.001	\$ (0.023)
Avg. No. Shares (Millions)	61.945	61.945	61.945	61.036
Working capital	\$ 2,098	\$ 1,656	\$ 2,098	\$ 1,656
Total assets	6,342	6,486	6,342	6,486
Total liabilities	3,534	3,378	3,534	3,378
Equity (Deficit)	2,808	3,108	2,808	3,108



Selected Balance Sheet Data

(\$000s)

Balance Sheet Data	Sept '09	Dec. '08
Cash	\$ 1,877	\$ 1,212
Accts. Receivable	1,135	809
Inventories	1,374	1,819
Other Current Assets	309	225
Total Current Assets	4,695	4,066
Net Fixed Assets	642	881
Other Assets	1,005	968
Total Assets	6,342	5,915
Total Current Liab.	2,597	2,402
Total Other Liab.	937	936
Total Liabilities	3,534	3,338
Total Equity	2,808	2,577
Total Liabilities & Shareholders Equity	\$ 6,342	\$ 5,915

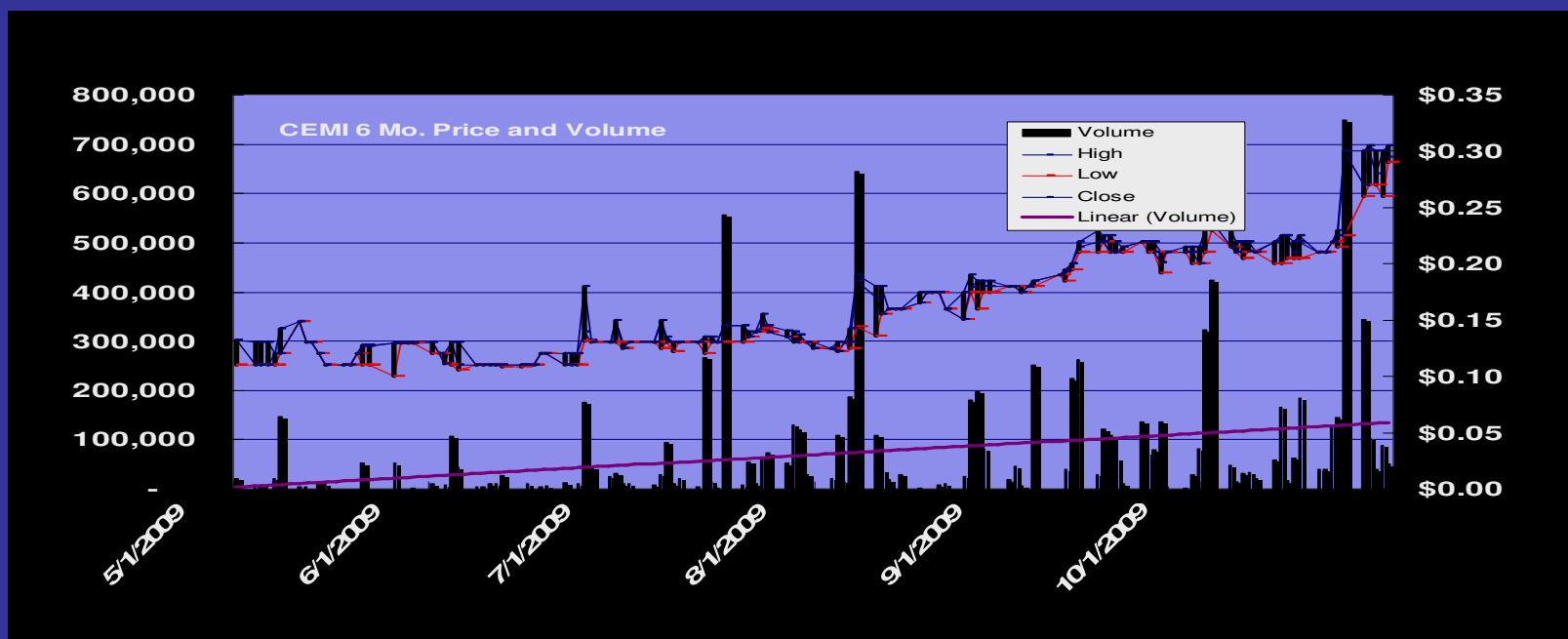


CEMI Selected Share Data

As of 10/30/2009

52 Week High	\$0.305
52 Week Low	\$0.075
Total Outstanding Shares	61.94MM
Common Stock owned by management & directors	7.0MM
Market Capitalization	\$18.27MM
Avg. Trading Vol. (3 Mos.)	99,377

Options and Warrants (MM)	Avg. Ex. Price
Options (3.86MM held by mgmt. & board)	5.75
Warrants - Exp. Dates	
1/28/2010	4.96
10/5/2011	2.64
2/5/2012	0.07
Total Warrants	7.67
Total Options & Warrants	13.42
Fully Diluted shares	75.36





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www.chembio.com