



PRESS RELEASE

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Medigard to commence trials on blood collection device

Medical devices company Medigard Limited said clinical trials would commence in the next few months on its unique blood collection device which uses the company's patented vacuum retraction platform technology.

Chairman Don Channer said Medigard was raising \$5 million through an initial public offering to fund further development of its medical devices including the blood collection device, as well as a retractable syringe and an IV cannula/catheter.

"Our retractable blood collection device will be the first of our products to generate revenue for the company," he said.

"We will start clinical trials in the new year through the Genomics Research Centre at Griffith University which currently collects over 1000 blood samples per year."

Mr Channer said clinical trials are expected to commence in the next few months through the genomics research centre at Griffith University, with the device to hit the market within two years. This paragraph tends to repeat the previous paragraph.

"The simplicity of our design means the technology is able to be commercialized rapidly and we will be focusing on the blood collection device to quickly prove the viability of our vacuum retraction platform," he said.

Mr Channer said it is estimated that there are more needle stick injuries from blood collection devices than from syringes.

"There is real demand for this product in the market and we expect to be able to obtain significant market share from existing devices which are relatively unsafe," he said.

"Other retractable blood collection device prototypes involve cumbersome sheaths whereas our technology can be operated with a single hand.

"The problems involved with collecting blood cannot be resolved through the spring based approach to retracting needles and there is little competition for us in this market."

He said the blood collection device had been designed after significant consultation with the medical community.

"This technology is cost-effective and will greatly aid in infection control, needle stick injury prevention and would also alleviate waste disposal problems," he said.

Mr Channer said the worldwide blood collection device market is estimated at about US\$400 million per year.

“The market for blood collection devices is likely to escalate due mainly to the passage of US legislation requiring healthcare workers to use safety devices wherever possible,” he said. Mr Channer said product manufacture and distribution of the blood collection device would be outsourced to key international players.

He said the company had strategic alliances with Griffith University, QMI and Concentric Asia Pacific Pty Ltd, which will provide product design and development expertise.

“We are in discussions with a number of parties over licensing the technology including German multinational B Braun,” he said.

“We also intend to expand our product range in the medical devices sector, particularly in the area of guarding people from infections carried by blood.”

BACKGROUND

Medigard Limited is seeking \$5 million through the issue of 25 million ordinary shares at 20 cents per share. On listing, the company will have 75 million shares on issue, giving Medigard a market capitalization of \$15 million. As all technology is owned by Medigard, all capital raised will be applied to commercialization of products.

The offer opened on 25 November and closes on 19 December with a listing date of 14 January. A copy of the prospectus can be downloaded from the company's website at www.medigard.com.au.

The offer is not underwritten.

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