



PRESS RELEASE

Medigard opens \$5 million IPO

Medigard Limited will open its \$5 million initial public offering on Tuesday to fund further development of its three unique medical devices, including a retractable syringe, a blood collection device and an IV cannula/catheter.

Chairman Don Channer said the needle in each of Medigard's products retracts as a result of a vacuum driven mechanism, which enhanced safety and lowered costs of production.

"We are different to our competitors because our portfolio of medical devices is based on our revolutionary vacuum technology which will provide us with a competitive edge," he said.

"Other retractable syringes are spring loaded with blood splattering a potential concern on needle retraction. We have addressed this problem with our design, and this makes our products safer."

Mr Channer said the company's technology meant there were no cumbersome or costly springs, with the devices all made from mouldable plastics.

"The simplicity of the design also means that production costs are significantly lower than our competitors so will be able to compete on price as well as superior safety," he said.

"We have received excellent feedback from medical and industry practitioners who are impressed with the design, its ease of use and flexibility. One of the main advantages of our products is that they can be used with different needles."

He said the syringe plunger is hollow with air evacuated and following injection an incremental pressure on the plunger releases the needle into the plunger.

Mr Channer said the disposable syringe market worldwide is now estimated to generate sales of about US\$2.5 billion per annum, with the market predicted to grow rapidly. The blood collection and catheter markets are also significant and growing.

"Needle stick injuries are a real danger to our healthcare workers and that must change," he said.

"There has been a definite acceptance of the inevitability of a move to safety medical devices and this is being backed by legislative changes around the world."

Mr Channer said Medigard's products were designed to comply with international regulatory standards and the company had secured all intellectual property rights for all products and international patents since 1995 for the retractable syringe.

He said prototypes of the three devices were being produced in the lead up to clinical testing and the company had realistic commercialization milestones in place.

"The simplicity of the design means there is a relatively short road to commercialization with clinical trials for the retractable syringe and blood collection device expected within six months," he said.

"The approval process for medical devices is less complex than for drugs and will aid us in establishing revenue streams quickly."

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Mr Channer said product manufacture and distribution would be outsourced to key international players.

"All of our products are expected to hit the market within 24 months with the blood collection device being released in January 2005 and the syringe and IV cannular-catheter introducer coming around six months later," he said.

"We are well advanced in our research and development program, with estimates already obtained for production dies and machines. We expect Griffith University to be commissioned for clinical trials by March 2004."

Mr Channer said Medigard 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 opens 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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