

PRESS RELEASE

Ellex Medical Lasers Ltd (ASX:ELX)

Adelaide, Australia

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Topic: Awarded \$1.9M AusIndustry Grant to Conduct AMD Laser Research



Adelaide, Australia, 14 February 2007 – Ellex Medical Lasers Limited (ASX:ELX), a global leader in the design and manufacture of ophthalmic laser and ultrasound systems, announced today that its wholly owned subsidiary, Ellex R&D Pty Ltd, has been awarded an A\$1.9m, two year, Commercial Ready Grant by the Australian Government Department of Industry Tourism and Resources, AusIndustry, to support the development of a new and innovative laser therapy for the treatment of Age-Related Macular Degeneration (AMD) and other retinal diseases. The grant was applied for in order to expand laboratory and clinical research in Australia based on proof-of-principle laboratory work conducted over the past year with leading ophthalmic researchers in London.

“We are pleased to have been chosen by AusIndustry to receive this grant which will allow Ellex R&D Pty Ltd to pursue research that we hope will lead to a new non invasive laser therapy to treat AMD, the leading cause of blindness among seniors in the developed world,” said Ellex CEO Peter Falzon. “This grant will fund laboratory and clinical research in Australia which supports our stated strategy to expand our product line with innovative technology used to treat the leading causes of blindness.”

Ellex has a track record of utilizing Australian government grant funds to supplement research and development activities which create jobs and export products for Australia. Today Ellex employs more than 130 engineering, manufacturing and operations staff at its factory in Adelaide, South Australia, and generates about 90% of its revenue from sales to export markets, primarily Japan, North America and Europe. Ellex revenue exceeded \$34 million in the financial year ended 30 June 2006. This is the third significant research and development grant awarded by the Australian government to Ellex since founding its ophthalmic laser business in Adelaide in 1985.

ABOUT ELLEX

Ellex Medical Lasers Limited (ASX:ELX) designs, manufactures and markets a complete line of lasers and diagnostic ultrasound systems used by ophthalmologists to diagnose and treat eye diseases. With more than 12,000 systems delivered to the market, Ellex has evolved since 1985 from a manufacturing company of primarily OEM products, to direct marketing of its own branded products through subsidiaries in the United States, Japan and Australia, and a network of distribution partners in more than 100 countries. In December 2006 Ellex acquired Innovative Imaging, a leading provider of diagnostic ultrasound devices for ophthalmology, initiating the expansion of its product line beyond lasers. Ellex maintains a strong emphasis on intellectual property and research into new and better treatments to manage and treat the leading causes of blindness.

For additional information about Ellex and its products, please visit www.ellex.com.

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