

ELLEX MEDICAL LASERS LIMITED

ASX RELEASE

FOR IMMEDIATE RELEASE

15 November 2005

AusIndustry Extends Research and Development Grant

In January 2004 Ellex Medical Lasers Limited (ELX) announced that the company had been awarded an R&D Start Grant of \$3.3 million from the Australian Government's business unit AusIndustry through a competitive grant scheme which is designed to support Australian companies engaging in research projects that are of a national benefit to Australia. This grant was intended to assist the company in developing Ophthalmic Lasers and associated delivery systems, specifically for the global retinal laser market.

Ellex is pleased to announce that AusIndustry has approved an additional grant of \$0.4 million and an extension of the project timetable from December 2005 to December 2006.

Ellex CEO, Mr Peter Falzon, said the budget extension was in recognition of the progress made to date by Ellex in developing new products and technologies and the ongoing commercial opportunity the project presented.

"Ellex has built a global reputation for producing Ophthalmic Lasers of a very high quality that are considered by our customer base to be leading edge," Mr Falzon said.

"The AusIndustry grant continues to assist our company in its ongoing goal of building an exciting product range for the retinal market, a global market considered to be worth US\$150 million per annum.

"The Board of Ellex is extremely grateful to the Australian Government for once again offering financial support. We believe that this ongoing support will be significant in further developing the company's product range and ensuring that the company is at the forefront of technological advances in the ophthalmic laser market."

About AusIndustry

AusIndustry is the Australian Government's business program delivery division in the Department of Industry, Tourism and Resources. It provides a range of incentives to support business innovation.

AusIndustry delivers more than 30 business products, including innovation grants, tax and duty concessions, small business services, and support for industry competitiveness worth nearly \$2 billion each year to about 10,000 small and large businesses.

To help customers with product and eligibility information, AusIndustry has customer service managers located in 26 offices across Australia, a national hotline and website, plus more than 60 Small Business Field Officers in regional areas.

ABOUT ELLEX

Ellex Medical Lasers Limited designs, manufactures and markets a complete line of lasers used by ophthalmologists to preserve vision and fight blindness. With more than 10,000 systems installed worldwide, Ellex has evolved from its starting point as an OEM supplier of ophthalmic lasers 15 years ago, to direct marketing of its own branded products through subsidiaries in the United States and Japan and through a network of distributors in more than 50 other countries. Ellex maintains a strong emphasis on intellectual property and research into new and better treatments to manage and cure the leading causes of blindness.

For more information about the company, log on to our web site at www.laserexmedical.com

FOR FURTHER INFORMATION, please contact:

Peter Falzon, CEO

Ellex Medical Lasers Limited

82 Gilbert Street, Adelaide, SA, 5000

W: (08) 8104 5200 / M: +1 415 377-2390

peter.falzon@laserexmedical.com

Kevin McGuinness, Chief Financial Officer

Ellex Medical Lasers Limited

82 Gilbert Street, Adelaide, SA, 5000

W: (08) 8104 5200 / M: 0409 673 6310

kevin.mcguinness@laserexmedical.com