

PRESS RELEASE



Ellex Medical Lasers Limited (ASX:ELX)
Adelaide, Australia

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Release: Immediate

Topic: Ellex to Acquire Coherent Lasers (Australia) Pty. Ltd.

Ellex Medical Lasers Limited (ASX:ELX), a world leading designer and manufacturer of laser systems for the ophthalmic industry, announced today that it plans to establish a direct sales channel in Australia and New Zealand through the acquisition of its current exclusive distributor, Coherent Lasers (Australia) Pty. Ltd. As a result of the acquisition, Ellex will market its ophthalmic lasers direct to ophthalmologists in Australia, New Zealand and the South Pacific and become the distributor in these markets of the Allegretto refractive laser and other ophthalmic products manufactured by WaveLight AG of Germany. In addition, the transaction includes distribution in Australia of ophthalmic ultrasound products manufactured by Sonomed, Inc. of the U.S. and hand-held lenses that are routinely used by eye care professionals to diagnose and treat patients manufactured by Ocular Instruments, Inc. of the U.S.

The transition to direct sales and marketing in Australia, New Zealand and the South Pacific follows the successful start up of Ellex's direct Japan operation, founded in 2003, and its direct U.S. operation, founded in 1995. In addition to these subsidiaries, Ellex sells through a network of distributors in more than 50 other countries.

"The acquisition of Coherent Lasers Australia is in keeping with Ellex's stated strategy to grow by focusing on direct marketing of Ellex products to ophthalmologists around the world. As an Australian company, we are uniquely positioned to be the leader in our home market." said Mr. Peter Falzon, CEO. "Over the past 20 years José Beuchat, founder of Coherent Lasers, has built an excellent reputation in Australia as the distributor of Coherent, WaveLight, Ocular, Sonomed and Ellex ophthalmic products and we look forward to working with Mr. Beuchat in the coming years to grow the business."

Ellex Australia Pty. Ltd., a subsidiary of Ellex Medical Lasers Ltd., and Coherent Lasers (Australia) Pty. Ltd. have signed a Memorandum of Understanding for Ellex to acquire the business of Coherent. Ellex expects to complete the acquisition prior to 30 September 2006. Ellex Australia Pty. Ltd. will operate as a sales and customer service agent for Ellex, WaveLight, Ocular, and Sonomed ophthalmic products and will actively seek additional opportunities to market, sell and service ophthalmic products in Australia.



ABOUT ELLEX

Ellex Medical Lasers Limited (ASX:ELX) designs, manufactures and markets a complete line of lasers used by ophthalmologists to preserve vision and treat eye diseases. With more than 10,000 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 50 countries. Ellex maintains a strong emphasis on intellectual property and research into new and better treatments to manage and treat the leading causes of blindness.

ABOUT COHERENT LASERS AUSTRALIA

Coherent Lasers (Australia) Pty. Ltd. of Sydney, NSW has been actively selling and supporting lasers in Australia and the South Pacific since 1986. In that time, Coherent has installed most of the ophthalmic lasers in the Australian market and is well known for exceptional service and support. Coherent is the exclusive distributor of Ellex products in Australia, New Zealand and the South Pacific and has for many years also been the exclusive Australian distributor for WaveLight AG (Erlangen, Germany) vision correction lasers, Sonomed, Inc. (New York, USA) ultrasonic biometric products and Ocular Instruments, Inc. (Washington, USA) surgical contact lenses for laser surgery. Mr José Beuchat is a pioneer of the medical lasers industry having installed the first Coherent ophthalmic laser in Australia with Professor Fred Hollows in Sydney in 1972.

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

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