



ANNUAL GENERAL MEETING 2007

Tuesday 27 November 2007 at 2:00 pm

To be held at

Rendezvous Allegra Hotel
Mezzanine Level
55 Waymouth Street
Adelaide SA 5000

Notice of Annual General Meeting

ELLEX MEDICAL LASERS LIMITED
ABN 15 007 702 927
Level 1, 82 Gilbert Street
Adelaide, South Australia 5000

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of the shareholders of Ellex Medical Lasers Limited will be held at Rendezvous Allegra Hotel, Mezzanine Level, 55 Waymouth Street, Adelaide, South Australia, at 2:00 pm on Tuesday 27 November 2007 for the purpose of transacting the following business.

Ordinary Business

1. Accounts & Reports

To receive and consider the financial statements of the Company and its controlled entities for the year ended 30 June 2007 and the related Directors' Reports, Directors' Declarations and Auditors' Report.

2. Directors

To consider and if thought fit, pass the following Ordinary Resolution:

- (a) To elect Mr Victor Previn as a Director. Mr Previn retires by rotation in accordance with the Company's Constitution and, being eligible, offers himself for re-election.
- (b) To elect Professor John Marshall as a director having been appointed as a non-executive director since the last Annual General Meeting.
- (c) To elect Mr Kevin McGuinness as a director having been appointed as an executive director since the last Annual General Meeting.

3. Ratification of Previous Issue of Ordinary Shares

That in accordance with the provisions of Listing Rule 7.4 of the official listing rules of ASX Limited and for all other purposes, the shareholders ratify the placement of 6,470,588 ordinary shares on 26 June 2007 at \$0.85 per share.

Voting Exclusion Statement

The Company will disregard any votes cast on this Resolution 3 by a person who participated in the issue of shares and any associate of that person. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or it is cast by a person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

4. Remuneration Report

To adopt the remuneration report as set out in the Directors' Report which forms part of the Annual Report for the year ended 30 June 2007.

Other Business

To deal with any other business that may be properly brought forward.

Shareholder Information

1. A shareholder entitled to attend and vote at this meeting is entitled to appoint not more than two proxies (who need not be shareholders of the Company) to attend and vote on a poll in the shareholder's place.
2. The appointment of two proxies should specify the percentage of voting rights or number of securities to be applied to each proxy and if not specified then each proxy may exercise half your votes with fractions disregarded. A single proxy exercises all voting rights.

3. The proxy form must be signed by the shareholder or the shareholder's attorney duly authorised in writing, or if the shareholder is a corporation under its corporate seal or by its duly authorised attorney or representative.

If an attorney is to attend the meeting please submit the relevant power of attorney for noting and return.

If a representative of the corporation is to attend the meeting the appropriate letter of representation should be produced before admission.

4. In the case of joint holders the proxy form may be signed by any one holder.
5. The Company has determined in accordance with Corporations Regulation 7.11.37, that for the purpose of voting at the meeting, shares will be taken to be held by those who hold them at 10:00 pm on Friday 23 November 2007.
6. Proxies will only be valid and accepted by the Company if they were signed and forwarded to either the Company addressed to The Company Secretary, 82 Gilbert Street, Adelaide SA 5000 or faxed to 08 8221 5651 or alternatively the share registry, in the business reply paid envelope provided, so as to be received not later than 48 hours before the meeting.
7. The Company's principal registry is maintained at the following address:

Computershare Investor Services Pty Limited
GPO Box 1903
ADELAIDE SA 5001

Telephone: 1300 556 161
61 3 9415 4000 (Outside Australia)
Facsimile: 08 8236 2305

By order of the Board
Kevin McGuinness
Company Secretary
Adelaide

Explanatory Notes

Resolution 2 – Appointment of Directors

(a) Victor Previn, Director

Victor Previn was appointed a director on 9 July 2001 and his appointment was ratified at the 2001 AGM. He has considerable experience in engineering, business development and global distribution of ophthalmic equipment and is currently Technical Director of Ellex. Prior to this, he was Managing Director of Ellex for two years before the appointment of Peter Falzon as Chief Executive Officer. He was appointed Chairman of the Board on 22 July 2005. Victor is also a member of the Ellex Medical Advisory Board.

(b) Professor John Marshall, Director

Professor John Marshall was appointed a director on 11 October 2007.

Professor Marshall is an internationally recognised expert in ophthalmology. Graduating from London University in 1965, he received his PhD in 1968. For the past 30 years, he has pursued the development of lasers in ophthalmology, helping develop the Excimer laser for correcting refractive disorders and the first diode laser for treating eye complications among patients with diabetes, glaucoma and age-related macular degeneration.

Professor Marshall adds significant industry and technical knowledge and relationships to Ellex. He is a resident of London.

(c) Kevin McGuinness, Director

Kevin McGuinness was appointed a director on 11 October 2007.

Kevin McGuinness joined Ellex in October 2002 as Chief Financial Officer and Company Secretary. In May 2006 he was appointed Chief Operating Officer. Mr McGuinness has over 18 years of senior financial and operational management experience in public and private companies. He was formerly Chief Financial Officer of Nautilus Australia, an ASX listed company with annual turnover of \$90 million, and prior to this was Director of Finance and Operations of Urban Pacific Limited where he managed commercial and financial elements of complex development projects. Mr McGuinness holds a Bachelor of Arts in Accounting and is a Chartered Accountant.

Resolution 3 – Ratification of Previous Issue of Ordinary Shares

This resolution seeks Shareholder ratification of the Placement of 6,470,588 Ordinary Shares to certain investors at a price of \$0.85 per share representing a total consideration of \$5,500,000.

Subject to certain exceptions, ASX Listing Rule 7.4 provides that an issue made within the 15% limit will be treated as having been made with the approval of shareholders, thereby refreshing the company's ability to issue shares within the 15% limit and restoring the company's ability to make placements within that limit. The Company seeks Shareholder ratification of the issue of those Shares for the purpose of ASX Listing Rule 7.4 so that the Company's ability to issue securities will be "refreshed" thereby giving the Company the flexibility to issue further securities should the need or opportunity arise. The Company has no plans to issue more ordinary shares at the current time.

In accordance with the requirements of ASX Listing Rule 7.5, the following information is provided to Shareholders to allow them to consider Resolution 3 which relates to the ratification of the Share issue made previously:

- The Shares which are the subject of Resolution 3, were issued and allotted to:

- ♦ Wilson Asset Management
- ♦ Paradise Investment Management Pty Ltd
- ♦ Adam Smith Asset Management
- ♦ Colonial First State Investments Ltd
- ♦ Emerging Growth Capital
- ♦ Prime Value Asset Management Ltd
- ♦ Mathius Maus
- ♦ Intertec Healthcare Partners LP

- The Shares were issued at an issue price of \$0.85
- None of the allottees are related parties to the Company or its associates
- The Shares rank equally in all respects with existing ordinary Shares
- The funds raised through the placement were used to repay debt.

Resolution 4 – Remuneration Report

The Directors' Report, which forms part of the Annual Report for the year ended 30 June 2007, outlines the remuneration arrangements in place for directors and executives of Ellex Medical Lasers Limited (the Company).

The Corporations Act 2001 requires that a resolution be put to shareholders each year to adopt the remuneration report. The vote on this resolution is advisory only and does not bind the directors or the Company.

The Chairman of the meeting will allow reasonable opportunity for shareholders to ask questions about or comment on the Remuneration Report at the AGM. The Directors recommend that shareholders vote in favour of adopting the Remuneration Report, and the Chairman intends to vote all open proxies in favour of the resolution.