

PRESS RELEASE

Ellex Medical Lasers Ltd (ASX:ELX)

Adelaide, Australia

Date: 25 June 2008

Release: Immediate

Topic: Position of Chief Executive Officer
Update on Outlook for FY08 Result



Adelaide, Australia, 25 June 2008 – Ellex Medical Lasers Limited (“Ellex”) (ASX:ELX), advises that CEO Mr Peter Falzon has ceased employment with the Company with immediate effect.

“The Board would like to wish Peter well for the future”, Chairman Mr Previn said.

The Board is pleased to advise that Mr Kevin McGuinness has been appointed to the position of CEO effective immediately. Mr McGuinness joined Ellex in October 2002 as Chief Financial Officer & Company Secretary and was subsequently appointed Chief Operating Officer in April 2006 and an Executive Director in October 2007.

Chairman Mr Victor Previn said, “Kevin has been an extremely valuable member of the management team over the last six years and the Board has every confidence in his ability to lead the Company going forward”.

Update on Outlook for FY08 Result

The Company advised on 2 May 2008 that it expected pre-tax earnings in FY08 to grow modestly over FY07, although this was subject to the improved business performance noted at the time continuing and no further deterioration of market conditions. The Company now expects pre-tax earnings to be less than the \$2.8 million reported in FY07.

CEO Mr Kevin McGuinness said, “As detailed in our announcement to ASX in May, we have experienced subdued economic conditions, particularly in the U.S., and the uncertainty in financial markets has directly affected trading, with customers deferring purchasing decisions. Furthermore, we have experienced unexpectedly strong competitive pressures which have impacted trading margins”.

“While we have seen an improvement in the performance of the Company in the fourth quarter and expect to report a profit for the year and the second half, the performance has not been at a level sufficient to achieve the earnings expected at the time of the 2 May 2008 announcement”, Mr McGuinness said.

“Clearly this result is not acceptable and the Company is taking steps to improve profitability going forward”, Mr McGuinness added.

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.

For further information, please contact:

Victor Previn, Chairman
Ellex Medical Lasers Limited
82 Gilbert Street, Adelaide, SA, 5000
W +61 8 8104 5200 | M +61 414 551 994
vprefin@ellex.com

Kevin McGuinness, CEO
Ellex Medical Lasers Limited
82 Gilbert Street, Adelaide, SA, 5000
W +61 8 8104 5200 | M +61 409 673 610
kmcguinness@ellex.com

Tony Mitchell, CFO
Ellex Medical Lasers Limited
82 Gilbert Street, Adelaide, SA, 5000
W +61 8 8104 5200 | M +61 422 409 131
tmitchell@ellex.com