

PRESS RELEASE

Ellex Medical Lasers Ltd (ASX:ELX)

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Adelaide, Australia, 10 September 2008 – Ellex Medical Lasers Limited (ASX:ELX) today announced another step in expanding its global reach with the establishment of a direct sales channel in Germany – Ellex Deutschland GmbH.

To be formally launched at the European Society of Cataract and Refractive Surgeons (ESCRS) meeting in Berlin, 13-16 September 2008, Ellex Deutschland GmbH will focus initially on sales of Ellex laser products. Ellex's distribution partner for the Eye Cubed ultrasound product in Germany, M+C GmbH, will provide administration and logistical support for the new operations, allowing Ellex to establish a strong market position with minimal investment and reduced risk.

M+C have been active in the ophthalmic market for 20 years and have distributed the Eye Cubed since 1990. Their excellent reputation and strong sales and marketing network will be a significant benefit in establishing Ellex quickly in the German market. The partnership between Ellex and M+C will enable both companies to leverage common marketing channels and contacts. Plans include joint exhibits at German trade shows, promotional campaigns and educational workshops.

With over 8,000 ophthalmologists, Germany is one of the largest ophthalmic markets in the world. "The German market has significant potential and we look forward to working directly with ophthalmic surgeons throughout the region to demonstrate the quality of our products and our commitment to service. We are fortunate to have attracted experienced sales and service staff, and have the benefit of partnering with M+C, who have been our leading Eye Cubed distributor for many years," commented CEO Mr Kevin McGuinness.

The first sales from the German operation are expected in September 2008. Ellex Deutschland GmbH will participate in its first official exhibition during the 2008 congress of the Deutsche Ophthalmologische Gesellschaft (DOG), which takes place immediately following the ESCRS in Berlin. The DOG is attended by more than 3,000 ophthalmologists and staff.

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 14,000 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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