



ANNUAL GENERAL MEETING 2008

Friday 28 November 2008 at 2:00 pm

To be held at

Ellex Medical Lasers Limited
Level 1
82 Gilbert 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 (the Company) will be held at Ellex Medical Lasers Limited, Level 1, 82 Gilbert Street, Adelaide, South Australia, at 2:00 pm on Friday 28 November 2008 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 2008 and the related Directors' Reports, Directors' Declarations and Auditors' Report. The annual report is able to be viewed online at the following address: www.ellex.com/annual-reports

2. Directors

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

- (a) To re-elect Mr Alexander Sundich as a director. Mr Sundich retires by rotation in accordance with the Company's Constitution and, being eligible, offers himself for re-election.
- (b) To elect Mr Giuseppe Canala as a director having been appointed as a non-executive director since the last Annual General Meeting.
- (c) To elect Mr Malcolm Plunkett as a director having been appointed as an executive director since the last Annual General Meeting.

3. Election of Director

Members' resolution under section 249N of the Corporations Act 2001 (CTH)

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

- (a) To elect Mr Ruediger Naumann-Etienne as a Director of the Company.

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 2008.

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 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 Wednesday 26 November 2008.

To record a valid vote members will need to take the following steps:

Cast your vote online by visiting www.investorvote.com.au and following the instructions and information provided on the enclosed proxy form; or

Complete and lodge the Proxy Form (and the power of attorney or other authority (if any) under which it is signed, or a certified copy of it) at:

- (a) the share registry of the Company, Computershare Investor Services Pty Limited, located at GPO Box 242, Melbourne VIC 3001, or by facsimile on 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia) ; or
- (b) the registered office of the Company located at 82 Gilbert Street, Adelaide SA 5000, or by facsimile on (08) 8221 5651,

no later than 48 hours before the time for the holding of the meeting.

By order of the Board
Anthony Mitchell
Company Secretary
Adelaide

Explanatory Notes

Resolution 2 – Re-election of Director

(a) Alexander Sundich, Director

Alex Sundich was appointed a non-executive director on 22 July 2005 and his appointment was ratified at the 2005 AGM. He was also re-elected at the 2006 AGM. He is a Substantial Shareholder of the Company.

Alex is an Executive Director of Harvest Capital Partners, an investment and funds management firm. Prior to this, he was a senior executive at Mariner Financial Limited. From 2002 to 2006 Alex was Chief Financial Officer and Interim Chief Executive Officer of Record Investments Limited.

Prior to his role at Record Investments, Alex was an investment banker for 15 years, involved in mergers and acquisitions and capital raisings. During his investment banking career, Alex gained experience in advising industrial and resources companies on financial and strategic matters.

Alex holds a BEc degree from the University of Sydney and a MComm (Finance) degree from the University of New South Wales. He is a member of the Institute of Chartered Accountants in Australia and the Securities Institute of Australia. He is also a non-executive director of Eastern Star Gas Limited.

(b) Giuseppe Canala, Director

Giuseppe Canala was appointed a director on 17 October 2008.

Giuseppe Canala FAICD is an experienced company director with a professional engineering and economics background. He currently serves as the Managing Director of Seghetti Estates Pty. Ltd., a private investment opportunities company, and is a major shareholder in Ellex Medical Lasers Limited.

As an original co-founder of Ellex, Giuseppe has extensive Company experience, having served Ellex in a broad range of management roles, including Director of Engineering, Director of Operations, and Managing Director. He also served as Chairman from 1990 to 2001.

Giuseppe has been involved as a director, manager and investor in a range of laser companies including Laserex Technologies, a developer and manufacturer of gas laser and semiconductor laser products for consumer and industrial use based in Adelaide: and Laserex Inc, a manufacturer and distributor of laser products for the IT, medical and veterinary markets, based in Scottsdale, Arizona.

Prior to joining Ellex, Giuseppe worked in the USA as a manufacturing engineer with CGR Medical Corp., producing medical X-Ray imaging equipment; and as Manufacturing Engineering Manager with SAFT America Inc., a military contractor.

Giuseppe has a Bachelor of Technology in Electrical Engineering from the University of Adelaide and a Bachelor of Arts in Sociology and Economics from La Trobe University, Melbourne Australia.

(c) Malcolm Plunkett, Director

Malcolm Plunkett was appointed a director on 17 October 2008.

Malcolm Plunkett has worked at Ellex for 12 years in various roles and is currently the Managing Director of Ellex R&D Pty Ltd. and the head of Ellex's Advanced Research group. Prior to his involvement with Ellex, Malcolm established and managed a successful contract engineering company and developed the original technology platform for Vision Systems Limited. He has nearly 40 years experience in the fields of electronics and engineering, including consumer electronics, mineral exploration, mineral analysis, electronic security systems and scientific instrumentation. During his career, Malcolm has been involved in the design, manufacture and export of high-technology products, a number of which have won industry awards.

During his time at Ellex, Malcolm has been instrumental in the establishment of design control and regulatory frameworks and is the author of five Ellex patents. His accomplishments include directing the development of the selective laser trabeculoplasty (SLT) technology platform, which has helped Ellex assume a leading position in the glaucoma treatment market.

More recently, in his role as the head of Advanced Research, Malcolm has led the Ellex 2RT (Retinal Regeneration Therapy) program, which was awarded a A\$4M matching funds Commercial Ready Grant. He has been heavily involved with the Ellex 2RT clinical trials and ongoing laboratory experimentation.

Malcolm strong background in lasers and ophthalmology equips him with an excellent understanding of our ophthalmologist customers, their patients, and the variety of eye treatments that are available. He has also acquired a detailed knowledge of our competitors and the full intellectual property landscape.

Resolution 3 – Election of Director

On 22 September 2008 the Company received an appropriately authorised Notice of Members' Resolution under section 249N of the Corporations Act 2001 (CTH) from Intertec Healthcare Partners, L.P. and Dr Matthias Maus giving notice that they propose to move the following motion at the Company's Annual General Meeting:

“That Mr Ruediger Naumann-Etienne is elected as a Director of the Company.”

As required under the Corporations Act, the Company has included this item in this Notice of Meeting.

For consideration by members', attached to this notice is an Explanatory Memorandum from the Board and a Members' Statement from Intertec Healthcare Partners, L.P. and Dr Matthias Maus in relation to this resolution.

Resolution 4 – Remuneration Report

The Directors' Report, which forms part of the Annual Report for the year ended 30 June 2008, outlines the remuneration arrangements in place for directors and executives of 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.

Resolution 3 – Election of Director

Explanatory Memorandum

The Board of Directors of Ellex has carefully considered the Members' Resolution that Mr Naumann-Etienne be appointed to the Ellex Board. The Board believes it is important that shareholders be informed of the following facts in relation to Mr Naumann-Etienne's candidature:

1. Mr Naumann-Etienne is well known to the Board and has repeatedly expressed an interest in joining the Board. In order to develop a closer relationship with him, and to assess his abilities, in December 2006 the Board agreed to offer him a consulting contract. This arrangement was consummated in January 2007 and gave the Board the opportunity to assess at closer hand Mr Naumann-Etienne's approach and performance. The Board elected to terminate his consulting contract in June 2007, before it was due to expire. The Board has no intention of retaining Mr Naumann-Etienne's services in the future.
2. Mr Naumann-Etienne has threatened to sue the Directors on several occasions. In light of these threats of legal action, the Board believes that it may be difficult for the current Directors and Mr Naumann-Etienne to develop a constructive and effective working relationship between themselves.
3. Mr Naumann-Etienne has stated that the Company is unable to find candidates that are willing to join the Board at this time. This is not the case as the company has candidates willing to join the Board namely:
 - Mr Giuseppe Canala
 - Mr Malcolm Plunkett
4. Mr Naumann-Etienne has represented himself to be a potential independent director. The Board does not consider Mr Naumann-Etienne to be independent. The ASX *Corporate Governance Principles and Recommendations* (2007, 2nd Edition) state that when determining the independent status of a director, the board should have regard to (amongst other factors) whether the director:
 - Is a substantial shareholder of the company or an officer of, or otherwise associated directly with, a substantial shareholder of the company. Mr Naumann-Etienne is associated with Intertec Healthcare Partners L.P., a shareholder of the Company, holding 4% of issued share capital in the Company.
 - Has within the last three years been a principal of a material professional advisor or a material consultant to the Company. As detailed above, Mr Naumann-Etienne was previously retained as a professional consultant by the Board.

Statement pursuant to Section 249P of the Corporations Act 2001

To: ELLEX MEDICAL LASERS LIMITED (“Company”)

Pursuant to section 249P of the Corporations Act 2001, we the undersigned, together being members of the Company with a voting interest of at least 5%, request the Company give to all its members this statement about the resolution proposed to be moved at the Annual General Meeting appointing Mr Ruediger Naumann-Etienne as a Director of the Company.

Mr Ruediger Naumann-Etienne’s appointment is moved by Intertec Healthcare Partners, an investment fund based in the US and by Dr. Matthias Maus, owner of a leading ophthalmic surgery center in Germany and a user of the Company’s lasers.

As members of the Company and having the Company’s best interests in mind we recommend that you vote **FOR** the appointment of Mr Ruediger Naumann-Etienne as a Director of the Company for the reasons set out in this statement.

Reason for nomination

The Board currently lacks sufficient independent members, let alone those who have successfully managed and built technology companies that can compete on a global scale. The addition of new Board members with this experience is essential to:

- ensure proper support for the management team. Specifically, Board members with experience in running technology companies could offer valuable and constructive critique of the Company’s direction, as well as provide re-assurance to other Board members to help keep management focused on a sustainable growth path.
- establish appropriate corporate governance by having a majority of independent directors. A plurality of experienced independent directors would improve credibility with shareholders, especially when difficult, potentially controversial decisions have to be taken for the benefit of the Company.
- help re-establish confidence in the Company among its shareholders, especially institutional investors in Australia and internationally.
- gain access to potential new sources of capital by taking advantage of the contacts and credibility of new Board members.

Since June, the Chairman of the Company has repeatedly agreed in meetings with us to the need for adding two independent members to the Board but has stated that he is unable to find candidates willing to join at this time. Mr Naumann-Etienne is available to serve now. We have also identified several experienced individuals in Australia and abroad who would be candidates for joining Mr Naumann-Etienne on the Board at short notice.

Mr Naumann-Etienne and an additional independent board member need to be appointed to the Board without further delay.

Overview of candidate's background and experience

Mr Naumann-Etienne has over 30 years experience with technology companies. He currently manages a fund that invests in publicly traded medical device companies and serves as Chairman of the Board of Cardiac Science, a publicly traded cardiac technology firm in the US with \$200 million in annual revenues. Mr Naumann-Etienne has previously held the position of CEO in several successful medical device companies.

In addition, Mr Naumann-Etienne has relevant experience in the medical laser field. In 1999, Mr Naumann-Etienne participated in the financial restructuring of Laserscope, a producer of surgical lasers, and joined the board of directors. Laserscope became a leading laser supplier for urology applications and was sold six years later with a 30-fold gain to those shareholders that participated in the financing in 1999.

Mr Naumann-Etienne has served on a number of boards of publicly traded medical technology companies. In addition to Cardiac Science, Mr Naumann-Etienne currently serves on the board of Varian Medical Systems, the world's leading radiation therapy supplier and Bio-Rad Laboratories, a provider of instruments, diagnostics and supplies to the life science industry.

Detailed background and experience

Mr Naumann-Etienne has a Ph.D. in International Finance from the University of Michigan and a Master's Degree in Industrial Management from the Georgia Institute of Technology.

Since 1989, Mr Naumann-Etienne has been the owner and managing director of Intertec Group, an investment company specializing in the medical technology field. Intertec Group has successfully implemented growth strategies at Diasonics, a medical imaging company, OEC Medical Systems, a world leader in fluoroscopic imaging, Laserscope, a medical laser company, Quinton Instruments, supplier of cardiac diagnostic and rehab devices and Cardiac Science, manufacturer of cardiac resuscitation devices. Current engagements include Encision, a laparoscopic surgery supplier and MD International, a medical products distributor.

Mr Naumann-Etienne has been a general partner of Intertec Healthcare Partners, a fund investing in small publicly traded medical technology companies, since 2006.

Mr Naumann-Etienne has also been the Chairman of the Board of Cardiac Science, Bothell, WA (NASDAQ:CSCX) since 2006.

Mr Naumann-Etienne is currently a director of Bio-Rad Laboratories (ASE:BIO) and Varian Medical Systems (NYSE:VAR). Mr Naumann-Etienne is also a director of The Exploratorium, the Science Museum in San Francisco as well as a Trustee of the World Affairs Council.

From 2000 to 2005, Mr Naumann-Etienne served as the Chairman of the Board of Quinton Instruments (NASDAQ:QUIN) and held the role of CEO from 2000 to 2003.

From 1993 until 1999, Mr Naumann-Etienne was Chairman of the Board of the Salt Lake City-based OEC Medical Systems (NYSE:OXE), a world leader in fluoroscopic imaging for minimally invasive surgery and acted as CEO from 1995 to 1997. During his tenure as CEO, the market capitalization of OEC increased by 300%. In 1999, General Electric bought the company for \$500 million.

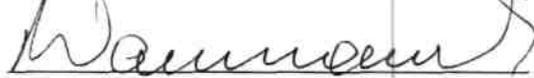
Prior to 1993, Mr Naumann-Etienne was President and Chief Operating Officer of Dasonics, Milpitas (NYSE: DIA) and worked at Hambrecht & Quist, a San Francisco based investment bank.

Into the Future

We strongly believe in the future of the Company and the potential of the 2RT technology for retina treatment. However, this future will only be realised with support of all its constituents. Improving the board structure will make a significant contribution to this goal.

Signatures of Member/s who are giving notice:

Signed for Intertec Healthcare Partners by:



Ruediger Naumann-Etienne

General Partner

Signed for Dr. Matthias Maus by:



Dr. Matthias Maus