

PRESS RELEASE

Ellex Medical Lasers Ltd (ASX:ELX)

Adelaide, Australia

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Adelaide, Australia, 17 December 2009 – Ellex Medical Lasers Limited (ASX:ELX), a global leader in the design and manufacture of ophthalmic laser and ultrasound systems, announced today that world wide sales of the Company's products have softened in the second quarter. As a result, it is expected that the Company's budget targets will not be met for the half year ending on 31 December 2009.

Sales in Australia and Japan are expected to be close to budget. However, a decrease in demand in Europe and the USA, attributed to the recessionary environment affecting those markets, has impeded sales. As a consequence, group sales are projected to be down by up to 20% from budget and hence the profit for the half is expected to be materially lower than for the previous corresponding period.

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 disease. 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, Germany 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 systems for ophthalmology, initiating the expansion of our product line beyond lasers.

The Ellex name has long been synonymous with excellence in technology, in quality, and in customer care. Ellex maintains the highest quality standards through product development and manufacturing, and strives to provide unmatched levels of clinical expertise and support to our customers. All of these efforts have combined to produce one of the highest levels of customer satisfaction in the ophthalmic industry.

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

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