

ASX RELEASE

Ellex Medical Lasers Limited (ASX:ELX)

Adelaide, Australia

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Topic: Ellex Secures Contract Manufacturing Agreement with Signostics Limited



Adelaide, Australia, 1 November 2012 – Ellex Medical Lasers Limited (ASX:ELX), a global leader in ophthalmic laser and ultrasound technology, today announced that it has been awarded a contract by Signostics Limited, a pioneer in the development of hand-held medical ultrasound devices, to manufacture the critical sub-assembly of the Signostics ultrasound device, Signos RT.

According to Ellex CEO Tom Spurling, the agreement with Signostics is an important initiative in the Company's stated strategy to identify new, complementary revenue streams, which leverage its existing manufacturing and engineering capabilities.

"Whilst we remain committed to maintaining and improving our position as a leader in the global ophthalmic laser and imaging market, this is an important opportunity to ensure the optimal utilisation of our highly skilled manufacturing team and to diversify our earnings", said Mr. Spurling.

Under the terms of the agreement, Ellex will manufacture the critical sub-assembly of the Signos RT device in its state-of-the-art manufacturing facility in Adelaide.

Signostics' CEO Warren Ortmann said that the partnership with Ellex was an important next step in Signostics' growth plans, allowing it to increase production capacity ahead of the global launch of its new-generation Signos RT device into a number of key markets, including the United States and Australia.

"Ellex has demonstrated considerable expertise in the manufacture of medical ultrasound technology. To that end, we are confident that they possess the necessary expertise to produce the Signos RT device," commented Mr. Ortmann.

"As Signostics embarks on its most critical phase – commercialisation of Signos RT – the partnership with Ellex will help us to realise the market opportunity in key global markets."

The agreement with Signostics also represents a major milestone in Ellex's ultrasound development program, which accelerated in 2011 following the consolidation of Eye Cubed™ ultrasound manufacturing from Sacramento, California, to the Company's Adelaide-based manufacturing facility. This initiative resulted in the centralisation of design engineering and production of the Eye Cubed™, providing improved operational efficiencies and greater speed-to-market.

Mr. Spurling said that the Company expected the agreement with Signostics to be ongoing, with 800 units targeted for production over the coming six months.

ABOUT ELLEX

Ellex Medical Lasers Limited (ASX:ELX) is a global leader in the design and manufacture of ophthalmic laser and ultrasound systems used by ophthalmologists to diagnose and treat eye disease. With more than 16,000 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 recent years, Ellex has diversified its product range beyond lasers and ultrasound equipment to include distribution of a number of complementary third-party ophthalmic products.

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

ABOUT SIGNOSTICS

Signostics Limited was established in Adelaide, South Australia, in 2005 to be a world leader in fast and affordable point-of-care ultrasound medical devices. After opening its sales and marketing office in Palo Alto, California, the company launched its first product into the veterinarian market in 2009 before gaining regulatory approvals to enter the human medical device market in Australia, the United States and Europe.

Signos RT is a new-generation, portable, hand-held ultrasound device designed for point-of-care use by medical practitioners in a number of clinical settings, including primary care medicine, rural and remote medicine, midwifery and bladder scanning and emergency and intensive care medicine.

For additional information about Signostics Limited and its products, please visit signostics.com.au

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