ASX RELEASE

Ellex Medical Lasers Limited (ASX:ELX)

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Topic: Early-stage Age Related Macular Degeneration Intervention 2RT™: Important Grant Awarded, Clinical Trial Status and Commercialisation Update

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Adelaide, Australia, 14 July 2015 – Ellex Medical Lasers Limited (ASX:ELX) today announced that research collaborator Professor Erica Fletcher, University of Melbourne, has been awarded an Australian Research Council (ARC) Linkage grant, titled: "Using lasers to prime the immune system" .

According to Ellex CEO, Tom Spurling: "This important work will give our researchers a better understanding of the mechanism of action and potential uses of the 2RT laser currently in use in clinical trials for the treatment of early-stage age-related macular degeneration (AMD).

Australian Research Council (ARC) Linkage Grant Awarded

On 8 July 2015 Professor Erica Fletcher and Dr Bang Bui, who lead a research team at the University of Melbourne, were awarded an ARC Linkage grant of $355,000 to detail the precise effects that 2RT™ has on cells, cell populations and the body as a whole. This will provide fundamental knowledge on the impact of 2RT™ on cell biology of immune cells and cell signalling pathways in the retina. This work follows the successful research on the method of action of 2RT™ conducted by Professor Fletcher and published in the February 2015 edition of the Journal of the Federation of American Societies for Experimental Biology (FASEB Journal).

"We are very pleased that the Australian Research Council has chosen to award Professor Fletcher and Dr Bui. The research to be conducted at the University of Melbourne will provide new insight as to the influence of 2RT on the body's immune system. This could have significant applications beyond ophthalmology," said Mr Spurling

Commercialisation Update and Market Potential

The Company's multifaceted 2RT™ programme, which comprises ongoing scientific and clinical work in parallel with a limited commercial roll-out in key markets, also continues to make solid progress.

"In addition to the work at the University of Melbourne we are continuing to support the multi-centre LEAD (Laser Intervention in Early AMD) trial, which is led by Professor Robyn Guymer. We are also making good progress with our limited commercial roll-out to early adopters and research collaborators in Europe, Australia and New Zealand, where it is approved for sale as an intervention for early AMD," said Mr. Spurling.

During financial year 2015 there have been accelerating sales to early adopters and research collaborators in Holland, Germany, Italy, France, New Zealand and Australia. As of 15 June 2015, these commercial 2RT™ units had been used to perform approximately 1500 procedures on 940 patients. These patients and treatments are in addition to the patients being treated in the LEAD trial.

"We look forward to sharing the case studies from early adopters at upcoming congresses, including the European Society of Cataract and Refractive Surgeons (ESCRS) in Barcelona in September 2015. We also expect the 2RT laser to be on display for our ophthalmologist customers to inspect at the ESCRS meeting. This represents a major step forward in the commercialisation of this breakthrough technology," commented Mr. Spurling.

The potential market for 2RT™ as a treatment of AMD was described in a report from consulting firm GlobalData in December 2014. It reported that the age-related macular degeneration treatment market across seven major countries (USA, UK, Germany, France, Spain, Italy and Japan) will almost double in value from $5.1 billion in 2013 to $10.1 billion by 2023.

LEAD Trial Update

The LEAD double-blind randomised control trial is investigating the ability of 2RT™ to produce bilateral improvements in macular function and appearance in patients with high-risk early AMD. Led by Professor Robyn Guymer, MBBS, PhD, FRANZCO, the Centre for Eye Research Australia (CERA), the trial involves six sites in Melbourne, Sydney, Brisbane, Adelaide, Perth and Belfast (Northern Ireland). Patient recruitment commenced in late 2012 and accelerated in 2014 following a funding injection by the Company. Enrolment in the trial was completed at 291 patients on 31 March 2015.

Trial participants are randomised at a ratio of 1:1 to undergo the 2RT™ laser procedure (Group 1), or to receive a sham laser procedure (Group 2). Each patient will be evaluated over a three-year follow-up period, with evaluation criteria based on a number of factors, which influence the likelihood of progression of macular degeneration.

The trial will be deemed to be successful if Group 1 participants exhibit a materially lower rate of progression to advanced macular degeneration, as compared to Group 2 participants.

The three-year results for the complete patient cohort are expected to be released in 2018.

ABOUT AMD

Age-Related Macular Degeneration (AMD) affects one in seven Australians over the age of 50 (Source: report prepared for Macular Disease Foundation, Access Economics). The economic impact and cost of AMD is high, and is estimated to directly cost the Australian community more than AU$2.6 billion annually (Source: CERA). Current treatment options for AMD only address advanced or end-stage complications associated with the disease. In contrast, 2RT™ offers the potential to apply treatment earlier in the disease process, with the aim of slowing or reversing the process of degeneration, and hence delaying, or preventing, late stage disease.

ABOUT 2RT™

Retinal Rejuvenation Therapy (2RT™) delivers nanosecond pulses of laser energy to stimulate a natural, biological healing response in the eye to stimulate a process of cellular rejuvenation to preserve and/or improve functional vision, reducing disease progression. These nanosecond pulses generate a response by retinal pigment epithelium (RPE) melanosomes, without causing heat to escape beyond the RPE cell walls. These pulses cause damage to the internal cell structure only: they do not break the cell's outer membrane. This process of regeneration rejuvenates the entire transport mechanism of the retina, improving visual function and reducing disease progression. This breakthrough approach retains the therapeutic effect of laser therapy whilst eliminating the thermal tissue damage inherent in conventional retinal photocoagulation laser treatment.

ABOUT ELLEX

Ellex Medical Lasers Limited (ASX:ELX) is a global leader in the development of medical technologies for the diagnosis and treatment of eye disease. With more than 20,000 systems delivered to 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, France, 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. On 31 December 2013 Ellex acquired the Canaloplasty microcatheter-based glaucoma surgical treatment from iScience Interventional, Inc.

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

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