



27 June 2006

The Manager Companies
Australian Stock Exchange Limited
20 Bridge Street
SYDNEY NSW 2000

Dear Madam

AGREEMENT REACHED WITH USA MEDICAL DEVICES COMPANY

The Directors are pleased to advise that BMDi Pty Ltd ('BMDi'), a wholly owned subsidiary of IMD Group Limited, has signed a Heads of Agreement with USA medical devices company, Inviro Medical Inc. ('Inviro Medical'), to supply a number of Inviro Medical products to the USA and Canadian markets.

Founded in 1988, Inviro Medical is headquartered in Atlanta, Georgia and has regional sales offices throughout North America. Inviro Medical is a medical devices company that engineers and markets a range of innovative medical devices and safe medication delivery systems, including the patented InviroSNAP! Safety Syringe.

The Heads of Agreement provides for IMD to be a source of supply for a number of the Inviro Medical products including:

- InviroLINK>> Vial Access Plastic Cannula, a patented vial access safety solution that offers passive protection to healthcare workers by replacing steel needles for withdrawing medication from vials. The InviroLINK>> Vial Access Plastic Cannula provides a safer alternative for vial access syringe filling for patient injection or for injection into a split septum or needle-free connector IV site. The InviroLINK>> Vial Access Plastic Cannula requires little or no change in existing protocols and is simple to use.
- InviroLINK>> Vial Access Plastic Cannula Luer Lock Syringe, a medication delivery system which incorporates the InviroLINK>> Vial Access Plastic Cannula fitted to a standard luer lock syringe.
- InviroSNAP! Luer Lock Safety Syringe Exchangeable Needle Injection System which is a custom-engineered manually retractable syringe that provides unique safety features with the added ability to exchange needles, or to use the InviroLINK>> Vial Access Plastic Cannula.

IMD has commenced processing the first order for the manufacture and supply of 10 million InviroLINK>> Vial Access Plastic Cannulas and order details are currently being negotiated for the manufacture and supply by the Company of other Inviro Medical products.

For further information, contact Robert Krakowiak on +61 2 96484224 or Tom Mann on +61 2 92475087.

Yours sincerely

A handwritten signature in black ink, appearing to read "Peter J. Nightingale", written over a horizontal line.

Peter J. Nightingale
Company Secretary

pjn3545

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