S.S.H.medical Limited

29 July 2005

ASX Release

STATEMENT ACCOMPANYING APPENDIX 4C

Review of the quarter to 30 June 2005

It was mentioned in the previous statement accompanying the March Appendix 4C that the Directors of the Company had resolved to seek to acquire a business to add to the Group's portfolio of interests. The results of the search to locate a business have proved fruitful and the Company announced on 1 July 2005 that it proposes to acquire a company called Bio-Layer Pty Limited.

During the period leading up to 30 June and since the prime focus of the Company has been to agree terms and prepare the necessary paperwork to complete the acquisition of Bio-Layer. To give effect to the transaction the following matters need to be completed:

- The shareholders of SSH Medical need to approve the proposed transaction - an extra-ordinary general meeting of shareholders will be called for early September to discuss the proposed acquisition and matters relating to it;
- The Company needs to raise additional capital to commercialise the products of Bio-Layer and for working capital.

These processes are being organised at present and the necessary documentation will be issued to shareholders within the next few weeks.

This documentation will include full details on Bio-Layer, its products and market opportunities and the structure of SSH Medical assuming shareholder approval is received.

MediStation

The Company, as mentioned previously, is yet to receive any firm orders for the MediStation and, as part of the evaluation of the Bio-Layer acquisition, the Company is considering a number of courses of action with regard to the MediStation. It is the Company's intention to advise shareholders of whatever course of action is to be taken in advance of the issue of the notice for the extraordinary general meeting.

S.S.H.medical Limited ABN 75 070 028 625
Post PO Box 1685, Macquarie Centre Post Office North Ryde 2113
Office Suite 3 55 Talavera Road North Ryde 2113
Phone 02 9889 8999 **Fax** 02 9889 8664 **Email** info@sshmedical.com **Web** www.sshmedical.com

VedaScope®

Despite the fact that VedaScope® is recognised as having achieved many of its technical and performance requirements it remains a product that derives very little income for the Company. As with the MediStation, the Company has started a process of evaluation to consider on-going future of the VedaScope®. Decisions regarding this are likely to take considerably longer than those related to the MediStation because of the amount of intellectual property linked to the VedaScope®. As soon as details of this review are available the Company will announce the outcome to shareholders.

General

The Company continues to operate at a minimal cost level whilst processing the Bio-Layer proposal which the Directors believe to offer significant opportunities for SSH Medical and its shareholders.

The cash position of the business at 30 June 2005 was $297,000. The capital raising arising from the Bio-Layer proposal is targeted to provide enough working capital to commercialise Bio-Layer's products and provide funds to ensure that the Company continues to apply high levels of corporate governance throughout its operations.

K W McGrath
Chairman

Rule 4.7B

Appendix 4C

Quarterly report
for entities admitted
on the basis of commitments

Introduced 31/3/2000.

Name of entity

SSH Medical Limited

ACN or ARBN	Quarter ended
75-070-028-625	**30-Jun-05**

Consolidated statement of cash flows

	Cash flows related to operating activities	Current quarter $A'000	Year to date (12 months) $A'000
1.1	Receipts from customers	-	1,941
1.2	Payments for	-	-
	(a) staff costs	(111)	(1,120)
	(b) advertising and marketing	-	(5)
	(c) research and development	-	-
	(d) leased assets	-	-
	(e) other working capital	(132)	(2,028)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	5	16
1.5	Interest and other costs of finance paid	-	(6)
1.6	Income taxes paid	-	-
1.7a	Other - R&D Start Grant Funding	-	-
1.7b	Other - R&D Income Tax Concession	-	169
	Net operating cash flows	**(238)**	**(1,033)**

NOTES:

Please see enclosed statement.

		Current quarter $A'000	Year to date (12 months) $A'000
1.8	Net operating cash flows (carried forward)	(238)	(1,033)
	Cash flows related to investing activities		
1.9	**Payment for acquisition of:**		
	(a) Businesses (Item 5)	-	-
	(b) equity investments	-	-
	(c) intellectual property	-	-
	(d) physical non-current assets	-	(70)
	(e) other non-current assets	-	-
	Proceeds from disposal of:	-	-
1.10	(a) Businesses (Item 5)	-	1,070
	(b) equity investments	-	-
	(c) intellectual property	-	-
	(d) physical non-current assets	-	3
	(e) other non-current assets	(1)	(13)
		-	-
1.11	Loans to other entities	-	-
1.12	Loans repaid by other entities	-	-
1.13	Adjustment for cash remaining in subsidiary entity at disposal	-	(16)
	Net investing cash flows	**(1)**	**974**
1.14	**Total operating and investing cash flows**	**(239)**	**(59)**
	Cash flows related to financing activities		
1.15	Proceeds from issues of shares, options, etc.	-	62
1.16	Proceeds from sale of forfeited shares	-	-
1.17	Proceeds from borrowings		
1.18	Repayment of borrowings	(10)	(64)
1.19	Dividends paid	-	-
1.20	Other:		
	Proceeds from issue of converting notes	-	-
	Interest paid on converting notes	(17)	(64)
	Costs of share Issue and listing	-	-
	Net financing cash flows	(27)	(66)
	Net increase (decrease) in cash held	**(266)**	**(125)**
1.21	Cash at beginning of quarter/year to date	563	422
1.22	Exchange rate adjustments to item 1.20	-	-
1.23	**Cash at end of quarter**	**297**	**297**

NOTES:

1.15 **Ordinary shares valued at $62,000 were issued during the quarter ended 31 March 2005 in lieu of accrued entitlements due to a former executive (value $52,000) and a performance bonus due to an existing executive of the Company (value $10,000).**

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter $A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	NIL
1.25	Aggregate amount of loans to the parties included in item 1.11	NIL

1.26 Explanation necessary for an understanding of the transactions

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

NIL

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

NIL

Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

		Amount available $A'000	Amount used $A'000
3.1	Loan facilities	NIL	NIL
3.2	Credit standby arrangements	NIL	NIL

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter $A'000	Previous quarter $A'000
4.1	Cash on hand and at bank	23	61
4.2	Deposits at call	274	502
4.3	Bank overdraft	-	-
4.4	Other (provide details)	-	-
	Total: cash at end of quarter (item 1.22)	**297**	**563**

Acquisitions and disposals of business entities

		Acquisitions *(Item 1.9(a))*	Disposals *(Item 1.10(a))*
5.1	No acquisition or disposals in the quarter to 30 June 2005.	N/A	N/A
5.2	Place of incorporation or registration	N/A	N/A
5.3	Consideration for acquisition or disposal	N/A	N/A
5.4	Total net assets	N/A	N/A
5.5	Nature of business	N/A	N/A

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act 2001 (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.

2 This statement **does** give a true and fair view of the matters disclosed.

Sign here: .... Date: ....
(Company secretary)

Print name: **David W Ward**

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The definitions in, and provisions of, *AASB 1026: Statement of Cash Flows* apply to this report except for the paragraphs of the Standard set out below.

- 6.2 - reconciliation of cash flows arising from operating activities to operating profit or loss
- 9.2 - itemised disclosure relating to acquisitions
- 9.4 - itemised disclosure relating to disposals
- 12.1(a - policy for classification of cash items
- 12.3 - disclosure of restrictions on use of cash
- 13.1 - comparative information

3 **Accounting Standards.** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.