



**ASX ANNOUNCEMENT AND MEDIA RELEASE**

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## **UK COMPANY ACQUIRES AUSTRALIAN MEDICAL TECHNOLOGY**

Australian commercialisation company, TechStar Limited, today announced it had reached agreement to sell its unique chest compression device, CPREzy to UK-based Company Health Affairs Pty Ltd. The sale of CPREzy to Health Affairs Pty Ltd is expected to settle prior to 30 June 2004.

Health Affairs Pty Ltd has been a licensed distributor of CPREzy in the UK for the past two years and intends to extend the worldwide distribution of the product.

TechStar Chairman, Mr John Reid, said the sale of CPREzy was part of the company's strategy to take Australian technology to the world.

"The divestment of CPREzy is part of our natural process of reinvestment," Mr Reid said.

"It has generated an immediate cash injection and an ongoing revenue stream which will assist the company as we invest in new opportunities."

These new opportunities include the acquisition of Augen Technologies' vision prosthesis 'bionic eye' technology, which is currently subject to shareholder approval.

CPREzy has been developed by TechStar subsidiary, Medteq Innovations Pty Ltd, which owns the rights and intellectual property relating to the product.

CPREzy is a chest compression device with a general-use resuscitation mask, which facilitates correct CPR rhythm and compression on patients during a cardiac arrest. The CPREzy kit is already sold in many countries including Australia, New Zealand, United Kingdom, China, Malaysia, Greece and the United States.

Its achievements include:

- winner of the 2003 Innovation of the Year at the annual UK Workplace Health and Safety Exhibition
- its acceptance for training by various first aid groups including Red Cross and St John Ambulance in several countries.

Subject to contract conditions, MedTeq Innovations Pty Ltd will be paid up to A\$3.425 million comprising three parts: an up-front cash payment of A\$300,000; a payment of A\$300,000 for the sale of rights to the territories of Japan and South America within the next three months; and a 25 percent royalty on worldwide gross margin sales of CPREzy.

TechStar Chief Executive Officer, Mr David Hunt, said he is confident in achieving the full amount contracted based on sales projections for the product.

"Based on our extensive research within the medical industry internationally, particularly in the UK and Europe, we are satisfied that CPREzy will return \$3.425 million over the next three years," he said.

Mr Hunt said it is the right time in the product cycle for TechStar to be exiting CPREzy.

"Our focus is firmly on new opportunities for TechStar, and the Augen Technologies "bionic eye" is the project of greatest potential," he said.

"This is an Australian developed product with worldwide market demand, at the leading edge of technology and with a substantial amount of development already completed."

The bionic eye device, in its early stage of development, has the potential to help the blind see some images, light and shade, structure and shapes. It is considered particularly beneficial for people who have lost their sight due to degenerative and aged related eye disease.

TechStar intends to raise a minimum of \$10 million to fund the Augen acquisition and future development through a rights issue, private placement and a share issue. Full details will be released in the coming months.

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**For further information, please contact:**

David Hunt, TechStar Limited

Tel: (07) 3380 2100 or 0414 337 273

Joanne Pafumi, Rowland Communication Group Tel: (07) 3229 4499 or 0411 759 683