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COMMERCIAL LAWYERS

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26 October 2007

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Australian Securities Exchange
Level 45
South Tower, Rialto
525 Collins Street
MELBOURNE VIC 3000

By Facsimile No.: (07) 3423 1496

ImpediMed Ltd
Building 4B
Garden City Office Park
2404 Logan Road
EIGHT MILE PLAINS QLD 4113

Dear Sirs

ImpediMed Ltd ACN 089 705 144

Please find attached a 'Notice of initial substantial holder' form in relation to the above company from Versant Venture Capital III L.P. and Versant Ventures III, LLC.

Yours faithfully



Michael J Coker
Principal

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Form 603
Corporations Act 2001
Section 671B

Notice of initial substantial holder

To Company Name/Scheme ImpediMed Ltd (IL)

ACN/ARSN 089 705 144

1. Details of substantial holder (1)
Name Versant Venture Capital III L.P. (Versant) and Versant Ventures III, LLC (VVIII) (the general partner of Versant)

ACN/ARSN (if applicable) N/A

The holder became a substantial holder on 22/10/2007, the date on which the Company became a listed entity

2. Details of voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Person's votes (5)	Voting power (6)
Ordinary	5,148,899	5,148,899	8.38%

3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
Versant	Registered holder of the securities	5,148,899 ordinary shares
VVIII	Power to control disposal and voting of Versant's securities, as general partner of Versant	5,148,899 ordinary shares
VVIII	Power to control disposal and voting of securities held by Versant Side Fund III, L.P. (VSF), as general partner of VSF	30,382 ordinary shares (representing an additional 0.038% of IL not included in the voting power in section 2 above)
Dr. Ross A. Jaffe	Controller of VVIII (as Member and Managing Director)	5,179,281 ordinary shares (including an additional 0.038% of IL not included in the voting power in section 2 above)
Brian G. Atwood	Controller of VVIII (as Member and Managing Director)	5,179,281 ordinary shares (including an additional 0.038% of IL not included in the voting power in section 2 above)
Dr. Bradley J. Boizon	Controller of VVIII (as Member and Managing Director)	5,179,281 ordinary shares (including an additional 0.038% of IL not included in the voting power in section 2 above)
Samuel D. Coletta	Controller of VVIII (as Member and Managing Director)	5,179,281 ordinary shares (including an additional 0.038% of IL not included in the voting power in section 2 above)
Dr. William J. Link	Controller of VVIII (as Member and Managing Director)	5,179,281 ordinary shares (including an additional 0.038% of IL not included in the voting power in section 2 above)
Barbara N. Lubeash	Controller of VVIII (as Member and Managing Director)	5,179,281 ordinary shares (including an additional 0.038% of IL not included in the voting power in section 2 above)
Donald B. Milder	Controller of VVIII (as Member and Managing Director)	5,179,281 ordinary shares (including an additional 0.038% of IL not included in the voting power in section 2 above)
Robin L. Praeger	Controller of VVIII (as Member and Managing Director)	5,179,281 ordinary shares (including an additional 0.038% of IL not included in the voting power in section 2 above)
Rebecca B. Robertson	Controller of VVIII (as Member and Managing Director)	5,179,281 ordinary shares (including an additional 0.038% of IL not included in the voting power in section 2 above)
Camille D. Samuels	Controller of VVIII (as Member and Managing Director)	5,179,281 ordinary shares (including an additional 0.038% of IL not included in the voting power in section 2 above)

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Charles M. Warden	Controller of VVIII (as Member and Managing Director)	5,179,281 ordinary shares (including an additional 0.038% of IL not included in the voting power in section 2 above)
Kevin J. Wasserstein	Controller of VVIII (as Member and Managing Director)	5,179,281 ordinary shares (including an additional 0.038% of IL not included in the voting power in section 2 above)

4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (B)	Class and number of securities
Versant	Versant	Versant	5,148,899 ordinary shares
VVIII	Versant	Versant	5,148,899 ordinary shares
VVIII	VSF	VSF	30,382 ordinary shares
Dr. Ross A. Jaffe	Versant	Versant	5,148,899 ordinary shares
Dr. Ross A. Jaffe	VSF	VSF	30,382 ordinary shares
Brian G. Atwood	Versant	Versant	5,148,899 ordinary shares
Brian G. Atwood	VSF	VSF	30,382 ordinary shares
Dr. Bradley J. Bolzon	Versant	Versant	5,148,899 ordinary shares
Dr. Bradley J. Bolzon	VSF	VSF	30,382 ordinary shares
Samuel D. Cotelea	Versant	Versant	5,148,899 ordinary shares
Samuel D. Cotelea	VSF	VSF	30,382 ordinary shares
Dr. William J. Link	Versant	Versant	5,148,899 ordinary shares
Dr. William J. Link	VSF	VSF	30,382 ordinary shares
Barbara N. Lubash	Versant	Versant	5,148,899 ordinary shares
Barbara N. Lubash	VSF	VSF	30,382 ordinary shares
Donald B. Milder	Versant	Versant	5,148,899 ordinary shares
Donald B. Milder	VSF	VSF	30,382 ordinary shares
Robin L. Praeger	Versant	Versant	5,148,899 ordinary shares
Robin L. Praeger	VSF	VSF	30,382 ordinary shares
Rebecca B. Robertson	Versant	Versant	5,148,899 ordinary shares
Rebecca B. Robertson	VSF	VSF	30,382 ordinary shares
Camille D. Samuels	Versant	Versant	5,148,899 ordinary shares
Camille D. Samuels	VSF	VSF	30,382 ordinary shares
Charles M. Warden	Versant	Versant	5,148,899 ordinary shares
Charles M. Warden	VSF	VSF	30,382 ordinary shares
Kevin J. Wasserstein	Versant	Versant	5,148,899 ordinary shares
Kevin J. Wasserstein	VSF	VSF	30,382 ordinary shares

5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration (\$)		Class and number of securities
		Cash	Non-cash	

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Variant	12/10/07	Nil	issued on the conversion of preference shares	4,803,735 ordinary shares
Variant	17/10/07	\$248,518.08	Nil	345,184 ordinary shares
VSF	12/10/07	Nil	issued on the conversion of preference shares	28,348 ordinary shares
VSF	17/10/07	\$1,465.92	Nil	2,036 ordinary shares

6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
N/A	N/A

7. Addresses

The addresses of persons named in this form are as follows:

Name	Address
Variant	300 Sand Hill Road, Building 4, Suite 210, Menlo Park, California 94025, United States of America
VIII	300 Sand Hill Road, Building 4, Suite 210, Menlo Park, California 94025, United States of America
VSF	300 Sand Hill Road, Building 4, Suite 210, Menlo Park, California 94025, United States of America
Dr. Ross A. Jaffe	8 Meadow Lane, Atherton, California 94027, United States of America
Brian G. Atwood	80 Moss Bridge Lane, Orinda, California 94663, United States of America
Dr. Bradley J. Bolzon	88 Howard St. # 2300 (Rincon Tower), San Francisco, California 94106, United States of America
Samuel D. Colella	850 Morningside Circle, Los Altos, California 94022, United States of America
Dr. William J. Link	3 Summit, Irvine, California 92603, United States of America
Barbara N. Lubesh	2231 Pacific Drive, Corona del Mar, California 92625, United States of America
Donald B. Milder	879 Cliff Drive, Laguna Beach, California 92651, United States of America
Robin L. Praeger	4318 26 th Street, San Francisco, California 94131, United States of America
Rebecca B. Robertson	2281 Waverly Street, Palo Alto, California 94301, United States of America
Camille D. Samuels	2483 Jackson Street, San Francisco, California 94115, United States of America
Charles M. Warden	1707 Port Stirling Place, Newport Beach, California 92660, United States of America
Kevin J. Wasserstein	38 S. Palomar Drive, Redwood City, California 94062, United States of America

Signature

print name ROBIN L. PRAEGER capacity Director of Variant Ventures III, LLC

sign here *Robin L. Praeger* date 25/10/2007

DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
- (2) See the definition of "associate" in section 2 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.

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- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
- (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (7) Include details of:
- (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).
- See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown."
- (9) Details of the consideration must include any and all benefits, monies and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.