NON-RENOUNCEABLE RIGHTS ISSUE

NOTICE PURSUANT TO SECTION 708AA(2)(f) OF THE CORPORATIONS ACT

1. Safety Medical Products Limited (**Company**) is pleased to announce that it is making a pro-rata non-renounceable rights issue of approximately 7,090,887 Shares at an issue price of 28 cents each to raise approximately $1,985,448 (before expenses of the issue) (**Rights Issue**), to Eligible Shareholders (as defined below), registered at 5:00 pm (Adelaide time) on 2 October 2007 (**Record Date**).

2. Shares are offered under the Rights Issue on the basis of one Share for every ten Shares held at the Record Date. The Shares, when issued, will rank equally in all respects with the Company's existing issued Shares.

3. Eligible Shareholders that apply for Shares under the Rights Issue will also receive, for every two shares applied for, one free option exercisable at $1.00 on or before 31 December 2010 (**Attaching Options**). The Attaching Options will be issued on the same terms as the Company's existing SFPOA $1.00 options. If all Shares are taken up under the Rights Issue, approximately 3,545,443 Attaching Options will be issued.

4. Fractional entitlements to Shares and Attaching Options will be rounded down to the nearest whole number.

5. The Directors reserve the right to issue any shortfall in subscription for Shares under the Rights Issue, at their discretion within 3 months after the close of the Rights Issue.

6. The offer under this Rights Issue is only made to shareholders with registered addresses in Australia and New Zealand (**Eligible Shareholders**). All other shareholders (**Non-Resident Shareholders**) are not eligible to participate in the Rights Issue. The Company has determined, in accordance with the *Corporations Act 2001* (Cth) (**Act**) and the Listing Rules of ASX Limited (**Listing Rules**), that it would be unreasonable to make an offer under this Rights Issue to Non-Resident Shareholders having regard to:

   a. the number of shareholders in the places where the offer would be made;

   b. the number and value of the shares that would be offered; and

   c. the cost of complying with the legal requirements in those places.

7. The Company confirms that the Rights Issue is being made without disclosure to Eligible Shareholders under Part 6D.2 of the Act. This notice is being given under section 708AA(2)(f) of the Act.

8. This notice is dated 21 September 2007.

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9. Pursuant to section 708AA(7) of the Act, the Company provides the following information:

   a. as at the date of this notice, the Company has complied with:

      i. the provisions of Chapter 2M of the Act, as they apply to the Company; and

      ii. section 674 of the Act; and

   b. there is no excluded information that is required to be set out in this notice pursuant to section 708AA(7)(d) of the Act.

10. Upon completion of the Rights Issue, and assuming existing option holders do not exercise their options, the issued capital of the Company will comprise:

    a. 77,999,759 Shares;

    b. 20,113,374 options exercisable at 20 cents each before 31 December 08;

    c. 37,737,342 options exercisable at $1.00 each before 31 December 2010.

11. The Rights Issue will have an effect on control of the Company to the extent that the proportional shareholding of Non-Resident Shareholders may be diluted, as they are not entitled to participate in the Rights Issue. The consequence of this is not expected to be material given the small number of Non-Resident Shareholders of the Company.

12. An Appendix 3B applying for quotation of Shares and Attaching Options offered under the Rights Issue accompanies this notice.