Wednesday 20 February, 2008

General Manager
The Company Announcements Office
ASX Limited
Australia Square
Sydney NSW 1215

Dear Sir/Madam,

ISSUE OF CONVERTIBLE NOTES

Safety Medical Products Limited ("SafetyMed" or "the Company") (ASX: SFP) is pleased to announce that it intends to raise up to $3 million (before costs) by way of a syndicated issue of up to 30,000 convertible notes to sophisticated investors.

This follows the recent announcement (see copy of announcement below) of SafetyMed being approved by The Federal Department of Health and Ageing as a supplier to the National Diabetes Services Scheme (NDSS).

SafetyMed's Australian made SecureTouch™ Retractable Syringe is the first safety device ever listed on the NDSS and will be available to all registrants at no cost, with the scheme funded by the Department of Health and Ageing.

Last financial year approximately 12 million syringes were distributed through the scheme, representing the potential market opportunity for 1 ml syringes with the NDSS.

The capital raised will be applied to fund the direct costs associated with the Company's full scale commercialisation of the SecureTouch™.

The Company plans to move swiftly to secure a strong foothold in the NDSS as well as promote this success to gain access to other programs, particularly the Federal Government funded Clean Needle Program, in which a further 35 million syringes are distributed annually.

Other significant market opportunities are now expected to open up for SafetyMed and the Company must ensure all avenues to these markets are explored and secured as quickly as possible.

After an extensive review of the financing options available to SafetyMed, the Board has determined that it is in the best interests of all shareholders that the Company moves to full-scale commercialisation as soon as possible in order to generate ongoing cashflows. The Board has resolved that the issue of convertible notes is the most expeditious and appropriate means available to fulfill its short-term capital requirements.

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ASX Code: SFP

The Company will be executing a convertible note deed, containing the terms and conditions of issue of the convertible notes, details of which are summarised below. The offer is limited to 'sophisticated investors', as defined in section 708 of the Corporations Act.

A number of prospective investors have already expressed an interest to participate in the offer, including several directors of the Company, reflecting their confidence in the Company's future growth prospects.

Any person wishing to participate in the offer should register their interest with the Company.

The Company will seek shareholder approval for the issue of convertible notes to directors and related parties of the Company in accordance with ASX Listing Rule 10.11. The Company will also seek shareholder approval for the issue of convertible notes to non-related parties of the Company under Listing Rule 7.1. A notice of special general meeting containing the necessary resolutions will be dispatched to shareholders in due course.

USE OF FUNDS

Net proceeds from the capital raising will be used for the following purposes:

- Full scale commercialisation of the Company's SecureTouch™ Retractable Safety Syringe;
- National marketing and promotional activities to agents and clients of the NDSS;
- Associated costs with marketing and awareness campaigns to maximise sales within the Health Industry; and
- Procurement and commissioning of equipment to facilitate production of the 2,3,5 and 10ml versions of the SecureTouch™.

KEY NOTE TERMS

The key terms of the proposed convertible note facilities are:

- Face value of $100 per Note;
- The Company will accept minimum subscriptions of 100 Notes or $10,000 per Noteholder, although the board reserves its right to accept or reject applications for a lesser amount, or to increase this minimum subscription threshold;
- The facility is over a 12 month period at a moving interest rate of 500 Basis Points above the 90-Day Bank Bill Rate;
- Notes may be converted into shares at any time before redemption at the rate of 400 shares per note, an effective price of $0.25 per share; and
- The Notes are unsecured.

Yours faithfully,

John Riemelmoser
Managing Director

For further information please contact:

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Safety Medical Products Limited
Ph. 08 8285 5226

Mr Duncan Gordon
Investor Relations
Adelaide Equity Partners Limited
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<u>About Safety Medical Products Limited</u>

SafetyMed is a company focused on developing and marketing a unique range of Safety Products led by its flagship SecureTouch retractable syringe. The company's strategy of acquiring related companies to more rapidly secure economical development, distribution and sales of its products will see it continue to achieve strong bottom line growth throughout 2007/08.

Monday 18 February, 2008

General Manager
The Company Announcements Office
Australian Stock Exchange Limited
Australia Square
Sydney NSW 1215

APPROVAL TO SUPPLY SYRINGES IN NATIONAL PROGRAM

Dear Sir/Madam,

Safety Medical Products Limited ("SafetyMed" or "the Company") (ASX: SFP) is pleased to announce that it has been granted approval by the Federal Department of Health and Ageing to become a supplier of syringes to the National Diabetes Services Scheme (NDSS).

This is a significant breakthrough for SafetyMed and brings with it the opportunity to become a major supplier to this program.

The NDSS is an initiative of the Australian Government administered by Diabetes Australia Limited since 1987.

Approximately 12 million syringes were distributed through the NDSS in the 12 months to June 2007, where total sharps consumption increased by 9.9% over the previous financial year, at a cost of more than $9 million.

SafetyMed's Australian made SecureTouch™ Retractable Syringe is the first safety device ever listed on the NDSS and will be available to all registrants at no cost, consistent with the current situation for standard syringes.

Being the only Australian company approved to supply sharps to the scheme, SafetyMed will embark on a comprehensive Australia-wide marketing campaign to promote the safety and convenience of the locally made SecureTouch™.

The success in gaining approval to supply syringes to the NDSS demonstrates SafetyMed's ability to provide world class products at competitive prices and is considered a stepping stone in gaining access to other programs such as the Federal Government funded Clean Needle Program.

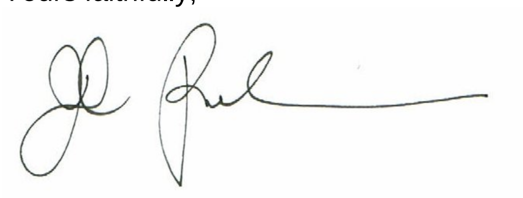
In October 2006, Diabetes Australia, in partnership with the Australian Federal Government, announced record funding of $750 million for the NDSS to take it through to June 2011. On-going support from State and Territory Governments allows the free supply of needles and syringes to all diabetics registered on the NDSS.

There were in excess of 844,000 people registered on the NDSS as at June 2007.

Diabetes is Australia's fastest growing chronic disease with approximately 275 adults in Australia developing the disease daily. This represents 8 adults in every 1,000 or more than 100,000 annually.

SafetyMed is also in discussions with a range of other sharps providers, both private and public, to expand the Company's products distribution.

Yours faithfully,



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