20th June 2008

Letter to Shareholders regarding Share Purchase Plan and Attaching Bonus Option

Dear Shareholder,

On the 4th of June 2008 the Directors announced a share purchase plan and attaching bonus option issue, to raise up to A$1.475 million. The Company recently completed a Convertible Note issue to sophisticated investors and as part of this capital program; the Directors wish to allow all its shareholders to participate in the future of SafetyMed.

The funds received under the SPP will be directed to accelerating the marketing and development of the Company's flagship product, the SecureTouch Safety Syringe. A successful SPP will allow the Company to pursue international growth strategies, increasing and establishing the SecureTouch range of products both in Australia and overseas. In addition, the Company can also accelerate its development of a range of innovative safety products towards commercialisation.

Under the SPP, eligible shareholders will have the opportunity to purchase the following number of shares: 5,000 Shares at 10 cents (a total application price of $500) or 10,000 Shares (a total application price of $1,000) or 20,000 Shares (a total application price of $2,000 or 50,000 shares (a total application price of $5,000) in Safety Medical Products without brokerage costs. All shares issued under the SPP will rank equally with existing ordinary shares.

Attaching to the SPP will be a Bonus Option issue. All shares applied for under the SPP will have an attaching Bonus Option on a 1 for 2 basis. These Bonus Options have a strike price of 25 cents and expiry of 31 January 2010.

Shareholders with a registered address in Australia and New Zealand on 18th June 2008 (Record Date) will be eligible to participate in the SPP.

SafetyMed is heading into its most exciting growth phase since listing, and is expecting to produce its maiden significant revenue streams from sales of its SecureTouch Retractable Syringe and other medical products in the second half of 2008.

The company is now positioned to take giant steps forward, with its strategies converting into ever-growing revenues and profit outcomes.

The accompanying brochure demonstrates the size of the syringe market worldwide, SafetyMed's achievements and its plans for growth.

Details of the offer and the acceptance form are enclosed.

Like me, you too are a shareholder who stands to benefit from SafetyMed achieving its milestones and leading in its identified markets.

I hope after reading the brochure you will be inspired to take up this offer.

Yours sincerely,

John Darley
Chairman

Enc:
Prospectus, Offer Document, Entitlement and Acceptance Form, Brochure.

Safety Medical Products Limited
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Australia, 5109
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ASX Code: SFP

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Disclaimer
This document is for information purposes only. It is not and does not purport to be or form part of an offer, invitation or solicitation to subscribe for shares in Safety Medical Products Limited.

Forward looking statements contained in this document are subject to risk factors associated with the safety medical device industry. It is believed that the expectations reflected in these statements are reasonable, but they may be affected by a variety of variables that could cause actual results or trends to differ materially.

7 BILLION PEOPLE ON EARTH
Safe syringes: *Imagine the potential*

Safety MedicalProducts Ltd.

Market Intelligence

Around 40 billion syringes are used in the world each year. The market value in Australia alone is more than $200 million and growing at a rate of 18%.

Worldwide more than 1 million needle stick injuries are reported each year. Close to 90% of the healthcare workers who contract HIV/AIDS or hepatitis do so as a result of a needle stick injury. About one-third has the potential to infect the recipient with hepatitis C.

Combine with the broad spread of blood-transmitted diseases, and it's easy to understand why safety in syringe use and disposal is high on the agenda for governments, health-care workers, administrators, insurers and communities internationally.

In Australia, diabetes ranks sixth in the highest cause of death by disease and type two diabetes is the nation's fastest-growing chronic disease. The cost of this type alone is $3 billion a year, and Diabetes Australia expects the number of Australians with diabetes to rise by 50% to 1.8 million people by 2010.

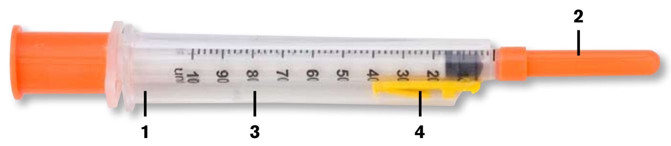
Extrapolate this across a world of 270 million diabetics and just this market potential is staggering.

Now a safety syringe is available that is competitively priced and easy to use. At first glance it is similar in look, feel, design and operation to a conventional syringe, but it renders these obsolete with its unique safety features.

SecureTouch, the retractable safety syringe, is being manufactured in Australia by Safety Medical Products (SMP) after four years of extensive research, development and testing by the company, ensuring it meets the needs of the medical and health industries, especially the diabetic and repeat-user markets, worldwide.

SecureTouch retractable safety syringe

- Maximum safety: fully retracts locking the entire syringe inside the sleeve
- No needle stick injury: after an injection, the locked syringe renders the needle inoperable and secured
- Very simple to use no specialist training is required.
- Accuracy in delivery: as there is no dead space in the syringe chamber after injecting there is 100% accuracy in delivery
- Easy-read feature magnifies gradients to ensure correct dosage.
- Competitively priced: the cost is roughly the same cost as a standard syringe, but up to 300% cheaper than other safe syringes
- Compatibility: technology can be adapted to be used with a full range of syringes and cannulae, and can convert any existing standard syringe technology



1 user activated needle retraction mechanism that shields the needle
2 reduces the possibility of needle stick injury
3 magnification of the syringe gradients by more than 35%
4 syringe locks away safely ready for disposal

Comfort Point Pen Needle

- Maximum safety: cartridge sharpened for a perfect punch with no fragmentation, a danger with traditional needles
- Optimum treatment with maximum efficiency: easy flow of medication without any impurities. Sterile, non-toxic and non-pyrogenic
- Easy to use: double point system, triple bevelling for virtually pain-free penetration
- Compatibility: compatible with all available pen models

1 siliconised needle with triple bevelling for smoother and virtually pain-free injection
2 no danger of needle fragmentation
3 ultra-thin wall for better insulin flow to minimise discomfort

Foundation for growth

Over the past 12 months, SMP has been industriously positioning the company's technology and products for expansion into markets across Australasia and internationally.

Specifically it has:

June 2007
Therapeutic Goods Administration and CE European Union accreditation awarded for the company's SecureTouch Retractable Syringe
making SafetyMed the only company approved to manufacture syringes in Australia.

August 2007
Purpose designed and built automated assembly machinery commissioned.
production capacity of over 30 million units per annum

November 2007
Therapeutic Goods Administration and CE European Union accreditation awarded for the company's locally designed and built automated product manufacturing system. To date, none of SMP's patent applications has been challenged in any of the 126 countries in which patent approvals are pending.
positioned for growth in Australia and internationally

January 2008
Multi-vacuum packaging machine commissioned.
guaranteeing state-of-the-art individually packed products

February 2008
SecureTouch listed by the Australian National Diabetes Services Scheme—a first for an Australian Company and for safety syringes.
a market capacity of more than12 million syringes a year

March 2008
Comfort Point pen needles approved for inclusion in the Australian National Diabetes Services Scheme range, to be available from 1 July 2008.
a market capacity of more than 60 million pen needles a year

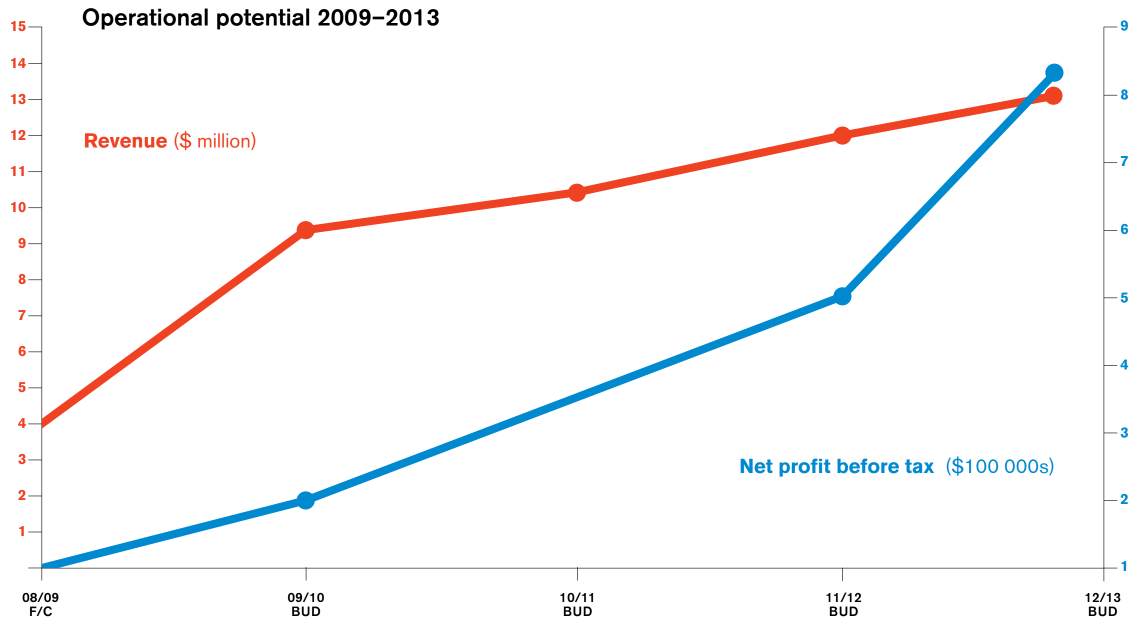
April 2008
SecureTouch Retractables selected as preferred safety syringe throughout the South Australian Mental Health Sector covering eight facilities.
new market opportunity

June 2008
Accreditation application lodged with the Therapeutic Goods Administration for the Comfort Point pen needle aid.
SMP inventiveness an international first to assist in preventing needlestick injuries for insulin pen needle users.

Growth strategies

SMP is in an excellent position to drive sales and profits through potential future developments:

- Increase the sales and marketing of SMP products in The National Diabetes Services Scheme to maximise potential market share of over 70 million units per annum.
- Launch Innovative world first Pen Needle Aid following TGA approval expected in July 2008. Worldwide there are over 270 million people with diabetes.
- Become an approved supplier in the Australian clean needle program with a market potential of over 35 million units per year.
- Expand the SecureTouch range to include 2 ml, 5 ml and 10 ml syringes, expediting entry into other Australian markets totalling over 800 million units.
- Market the company's retrofitting technology to international syringe manufacturers, which need access to safety syringe technology in today's market place. SMP offers the only solution for adding a safety device to existing syringes with minimal capital expenditure.
- Leverage SMP advantages, such as quality accreditation, pending patents and increased product ranges to enter the international market place.
- Commercialise the company's MediTag device and other temperature monitoring technologies.



Note: These numbers include the 1 ml Secure Touch and Pen Needle range only.

Share Purchase Plan - Application Form

Safety Medical Products Limited
ABN 26 007 817 192

Record Date:	18 June 2008
Close Date:	9 July 2008
Issue Price	$0.10

<ADDRESS1>
<ADDRESS2>
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<ADDRESS4>
<ADDRESS5>
<ADDRESS6>

BARCODE
SRN/HIN

A Offer Choice

Indicate your choice below by marking one box only

Offer A	Offer B	Offer C	Offer D
☐ 5,000 shares and 2,500 Attaching Options A$500.00	☐ 10,000 shares and 5,000 Attaching Options A$1,000.00	☐ 20,000 shares and 10,000 Attaching Options A$2,000.00	☐ 50,000 shares and 25,000 Attaching Options A$5,000.00

B Payment Details

Record cheque or money order details below

Drawer	Cheque Number	BSB Number	Account No.	Amount A$

PAYMENT INSTRUCTIONS:

- Only cheques or money orders in Australian dollars and drawn on a bank or financial institution in Australia will be accepted. Your cheque or money order must be made payable to **Safety Medical Products Limited and crossed Not Negotiable.** Please ensure that you submit the correct amount. Incorrect payments may result in your application being rejected.
- Payments must be made via cheque or money order accompanying the Application Form.
- Cash will not be accepted via the mail or at the Safety Medical Products Limited Share Registry.
- Payments cannot be made at any bank.

C Contact Details

Please provide a telephone number and contact name in case we need to contact you regarding your application.

Home telephone number	Work telephone number	Contact name

D Declarations and Acknowledgments

By lodging this form with your cheque or money order, you acknowledge and confirm that you have read, understood and agreed to the terms and conditions of the Safety Medical Products Limited Share Purchase Plan (**SPP**) and the prospectus issued by Safety Medical Products Limited for the Attaching Options (**Prospectus**). The Corporations Act 2001 prohibits any person from passing this Application Form to another person unless it is attached to or accompanied by a complete and unaltered copy of the Prospectus. Safety Medical Products Limited may settle in any manner it deems appropriate, any dispute or anomalies which may arise in connection with or by reason of the operation of the SPP, whether generally or in relation to any applicant or application of shares. The decision of Safety Medical Products Limited will be conclusive and binding on all persons to whom the determination relates. Safety Medical Products Limited reserves the right to waive compliance with any provision of the SPP terms and conditions. The Directors reserve the right to withdraw the offer of shares under the SPP, or reduce the amount of shares that may be subscribed for under the SPP in any manner, at any time prior to allotment. Any excess application moneys will be refunded. No interest will be paid on any refunded application money.

By submitting this Application Form, you certify that the aggregate of the application price for the shares the subject of this Application Form and any other shares or interests in the class applied by you under the SPP or any similar arrangement in the 12 months prior to the date of submission of this Application Form, does not exceed $5,000.00.

NO SIGNATURE IS REQUIRED ON THIS FORM **THIS OFFER IS NON-RENOUNCEABLE**

Application Forms and cheques/money orders must be received no later than 5.00 pm (Adelaide time) on 9 July 2008 at:

MAILING ADDRESS	DELIVERY ADDRESS
Registries Limited GPO Box 3993 SYDNEY NSW 2001	Registries Limited Level 7 207 Kent Street SYDNEY NSW 2000

You should allow sufficient time for this to occur. The postal acceptance rule does not apply to the SPP.