



Wednesday 28th October, 2009

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

Share Purchase Plan

Dear Sir/Madam,

Safety Medical Products Limited ("SafetyMed"; ASX Code SFP) is pleased to announce details of a Share Purchase Plan ("SPP").

Eligible shareholders will be given the opportunity to subscribe for shares, irrespective of the size of their shareholding, up to the value of \$15,000 at an issue price of 4.5 cents per share. The issue price under the SPP represents a discount of 18% to the 5 day volume weighted average price for trades on ASX prior to the date of this announcement. The offer will raise a maximum of \$1,030,056 from the issue of up to 22.9 million shares.

Only shareholders on the record date having an address on the Company's register in Australia or New Zealand will be eligible to participate in the SPP.

All new shares issued under the SPP will rank equally in all respects with the Company's fully paid ordinary shares quoted on ASX.

Shareholder approval is not required for the issue of new shares under the SPP.

Use of Funds

The funds raised via the SPP will be used to further advance the Hungarian joint venture. A letter of intent was signed in August 2009 to establish a new high volume state of the art joint venture manufacturing facility in Hungary, Europe.



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ASX Code: SFP
SafetyMed® is a registered trademark of Safety Medical Products Ltd

Highlights

- SafetyMed terminates existing strategic alliance agreement with Exelint International Co. ("Exelint") to pursue exciting new global opportunity.
- SafetyMed signs letter of intent with major Hungarian Medical Products Manufacturer, Dispomedicor Zrt ("Dispomedicor") (www.dispomedicor.hu).
- Estimated €25million (Euro dollars) Joint Venture Entity ("JVE") Project for production and worldwide marketing of safety and conventional medical products.
- Core products to include a full range of SafetyMed designed SecureTouch Retractable Syringes and Dispomedicor designed Safety Needles as well as a full range of conventional needles and syringes and other high volume medical devices.
- Significant Hungarian Government involvement expected via grants and Governmental Bank Finance.

€25 MILLION (AU\$50 MILLION) JOINT VENTURE PROJECT

Under the letter of intent, the project is expected to take the form of a new Hungarian based entity (JVE) in which SafetyMed and Dispomedicor will hold equal share. Equity partners will also be sought to fund part of the proposed JVE.

The JVE will be the planned freehold owner of a 12,000sqmtr site located in central Debrecen, (Hungary's second largest city) upon which the new facility will be built. This site shares a common boundary with one of Dispomedicor's existing facilities with easy access to the sterilisation plant.

In exchange for its equity stake, Dispomedicor will transfer some of its existing syringe manufacturing business to the JVE to take advantage of the latest manufacturing technologies that will be incorporated in the new facility as well as replacing any products currently outsourced.

Intellectual property ("IP") for SafetyMed's and Dispomedicor's safety devices will also be contributed under license to the JVE, as part of the parties planned equity contribution.

SafetyMed will also be required to manage the initial JVE strategic setup as the final part of their initial equity contribution under the letter of intent.

Under the letter of intent, both companies will sell into the JVE at a fair commercial value any relevant hardware and inventory that will be required for production in the new facility. This includes SafetyMed's automated assembly machine as well as an anticipated further three new machines to be built by SafetyMed's subsidiary Baratex Pty Ltd ("ProControl").

SAFETYMED AND DISPOMEDICOR SYNERGIES

Dispomedicor is the largest manufacturer of disposable medical products in Hungary and dominates the local market as well as exporting to more than 30 countries.

It owns one of the two largest Gamma Sterilisation plants in Europe that is based at their Debrecen site and has been in business for over 50 years employing nearly 400 people.

Dispomedicor also manufactures the sterilised feminine hygiene products that SafetyMed imports and markets into Australia under its other JV being Pureste Pty Ltd ("Pureste").

SafetyMed has built a strong relationship with Dispomedicor over the last twelve months whilst building the Pureste business.

During this time Dispomedicor expressed a keen interest in the SafetyMed SecureTouch Retractable Syringe and the synergies that could be gained since both companies had such a similar product range.

Discussions progressed to a point where two of the SafetyMed Directors, Mr. Riemelmoser and Dr. Nicholas visited the Dispomedicor Facilities in Hungary in early August when strategic JVE planning commenced.

HUNGARIAN GOVERNMENT SUPPORT AND INCENTIVES

The Hungarian Government is totally committed to attracting "smart" industry to their country in an effort to provide long term highly skilled employment as well as create import replacement opportunities.

Hungary has ascended to be an active member of the European Union (EU), however has not yet fully qualified for Membership to the Economic and Monetary Union (EMU) and thus cannot adopt Euro Dollar conversion. Unemployment reduction is one of the critical factors for the Hungarian Government to achieve in order to meet its self imposed Euro adoption deadline of 2012.

The Hungarian Government through its Investment and Trade Development Agency has already indicated the JVE would qualify for a 35% grant of the total estimated €25Million project cost.

Dispomedicor has also had advanced discussions with the Hungarian Governmental Bank where potentially a further 60% of project funding would be provided if required.

Other significant incentives including tax breaks and employment subsidies are also available and advice received so far indicates that the JVE meets the required criteria.

To be able to establish a major business such as this in the heart of the second largest city in Hungary prior to their EMU membership should bring with it a host of other advantages once membership is attained.

LEADTIME

It is anticipated that it will take 12 months from securing funding to have the plant fully operational with expectations of sales revenues in the order of €45MILLION (AU\$90 MILLION) achieved by year 5.

As customers of the JVE, SafetyMed and Dispomedicor will retain their current territories and purchase product from the new entity at far more economical rates (given expected synergies). New territories will be opened up and either directly marketed into by the JVE through SafetyMed, or Dispomedicor or the appointment of suitable distributors.

IN CONCLUSION

This is the ideal opportunity for SafetyMed to complete its goal of producing and making available for market its full range of Safety Syringes as well as the added benefit of being a partner in the production and sales of a full range of standard syringes and other high volume medical products on a global scale.

This global opportunity for SafetyMed may require new management skill and expertise; to this end, the board will in the future consider the need for new board members or managers with the relevant skills and expertise especially in relation to SafetyMed's global business needs.

Under the proposal, SafetyMed will retain its IP; Australian Production will move offshore; and its Salisbury Facility will be used solely as a sales, storage and distribution centre for the JVE's new medical product range and the Pureste sterilised feminine hygiene products.

Indicative Timetable Event*

Event	Date
Record date	27 October 2009
Announcement date	28 October 2009
Opening Date for receipt of Applications	30 October 2009
Closing Date for receipt of Applications	22 November 2009
Allotment date	27 November 2009
Dispatch of holding statements date	2 December 2009
Anticipated Share Trading Date	4 December 2009

*Subject to the *Corporations Act 2001* and the Listing Rules of ASX Limited, these dates may be varied by the directors without prior notice.

Shareholders are encouraged to submit their Entitlement and Acceptance Form as early as possible.

Details of the SPP are contained in the offer document, which will be sent today to all eligible shareholders and will include details of how to apply.

For further information please contact:

Mr. John Riemelmoser
Managing Director
Safety Medical Products Limited
Ph. 08 8285 5226

Mrs. Vicky Allinson
Company Secretary
Safety Medical Products Limited
Ph. 0416 253893

About Safety Medical Products Limited

SafetyMed is a company focused on developing and marketing a unique range of innovative Safety Products led by its flagship SecureTouch Retractable Syringe.

SAFETY MEDICAL PRODUCTS LIMITED
ACN 007 817 192

SHARE PURCHASE PLAN – OFFER DOCUMENT

Share Purchase Plan (SPP)	The SPP provides eligible holders of shares in Safety Medical Products Limited (Company) with the opportunity to acquire up to 333,333 additional shares in the Company (Shares). There is a maximum of 22.9 million of Shares available under the SPP. Accordingly, applications will be accepted on a first come, first accepted basis, or scaled back on a pro-rata basis, as the Company's directors decide. Each offer is made on the same terms and conditions.	
Eligibility	Registered holders of fully paid Shares at 5:00 pm (Adelaide time) on 27 October 2009 (Record date) and having a registered address in either Australia or New Zealand are eligible to participate in the SPP (Eligible Shareholders).	
Issue Price	The price per Share issued under the SPP will be 4.5 cents each and is 18% lower than the daily volume weighted average price of Shares over the five ASX trading days up to and including 27 October 2009 (being the last day of trading before the SPP was announced).	
Amount to invest	You may apply under one of the alternatives below: • 11,111 Shares at a total application price of \$500; • 22,222 Shares at a total application price of \$1,000; • 111,111 Shares at a total application price of \$5,000; • 222,222 Shares at a total application price of \$10,000; or • 333,333 Shares at a total application price of \$15,000.	
Indicative timetable* *Subject to the <i>Corporations Act 2001</i> and the Listing Rules of ASX Limited, these dates may be varied by the directors without prior notice.	Event	Date
	Record date	27 October 2009
	Announcement date	28 October 2009
	Opening Date for receipt of Applications	30 October 2009
	Closing Date for receipt of Applications	22 November 2009
	Allotment date	27 November 2009
	Dispatch of holding statements date	2 December 2009
	Anticipated Share Trading Date	4 December 2009
How to apply	If you wish to participate in the SPP you must complete the enclosed Application Form in accordance with the instructions on that Form and return it together with a cheque or money order made payable to "Safety Medical Products Limited" before the Closing Date.	
Rights attached to Shares	New Shares will rank equally with existing Shares on issue at the date of allotment.	
Transferring rights	The offer is non-renounceable meaning rights to take up Shares cannot be transferred.	
What to do if you receive more than one Application Form	Subject to the restrictions set out under the heading "Limits on participation" below, if you receive more than one Application Form, or if you hold Shares in more than one capacity, for example if you are both a sole and joint holder of Shares, the maximum number of Shares you may apply for under the SPP is 333,333.	
Limits on participation	Restrictions will apply under ASIC Class Order Relief [CO 09/425] to all shareholders, under this restriction, the total value of the Shares under this SPP that you intend to apply for must not exceed \$15,000.	
Other terms, conditions and important notices	Other terms, conditions and important notices relating to the SPP appear on the following page and should be read in full before applying for Shares.	

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ACN 007 817 192

SHARE PURCHASE PLAN – OFFER DOCUMENT

OTHER IMPORTANT TERMS, CONDITIONS AND NOTICES

1. You should be aware that the market price of Shares may rise or fall before the Shares are allotted to you under the SPP; therefore, the issue price of Shares under the SPP may exceed or be less than the market price of Shares at the time of allotment to shareholders.
2. Shareholders will be bound by the constitution of the Company and these terms and conditions by accepting the offer to acquire Shares under the SPP.
3. The Company has a broad discretion to accept or reject your application to purchase Shares under the SPP, including (without limitation) if: your Application Form is incorrectly completed or incomplete or otherwise determined by the Company to be invalid; the cheque or money order that you enclose with the Application Form is not made out for the exact amount of the parcel of Shares that you have selected on the Application Form, is dishonoured or has not been completed correctly; or the Company believes that you are not an Eligible Shareholder.
4. The Company may issue to any person fewer Shares than the person applied for under the SPP. No interest will be paid on any application money returned to you.
5. Eligibility to Participate
 - 5.1 The shareholders of the Company who will be eligible to apply for Shares under the SPP (Eligible Shareholders) are those who:
 - 5.1.1 are recorded in the Company's register of members at 5pm (Adelaide local time) on the relevant Record Date for that Offer; and
 - 5.1.2 have an registered address in Australia or New Zealand.

An Offer under the SPP ("Offer") does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer.
 - 5.2 Eligible Shareholders who have multiple single holdings of Shares may only apply for a maximum value of \$15,000 SPP shares under ASIC Class Order Relief [CO 09/425] ("Maximum Parcel") in any 12 month period regardless of how many Offers the Eligible Shareholder may receive.
 - 5.3 Eligible Shareholders who are joint shareholders may only apply for one Maximum Parcel between them in any 12 month period regardless of how many Offers they may receive.
 - 5.4 An Eligible Shareholder who is a Custodian (under the ASIC Class Order [CO 09/425]) holding Shares on behalf of one or more other persons on the Record Date (each a Beneficiary) may apply for one Maximum Parcel for each Beneficiary, subject to the Custodian certifying to the Company:
 - 5.4.1 that the Custodian holds Shares on behalf of each Beneficiary on the Record Date, who have instructed the Custodian to apply for Shares on their behalf under the SPP;
 - 5.4.2 the number of Beneficiaries;
 - 5.4.3 the name and address of each Beneficiary;
 - 5.4.4 in respect of each Beneficiary, the number of Shares the Custodian holds on their behalf;
 - 5.4.5 in respect of each Beneficiary, the number or the dollar amount of Shares they instructed the Custodian to apply for on their behalf;
 - 5.4.6 there are no Participating Beneficiaries in respect of which the total of the application price for the following exceeds \$15,000 or such other amount as is prescribed by ASIC Class Order [CO 09/425]:
 - (a) the Shares applied for by the Custodian on their behalf under the SPP; and
 - (b) any other Shares issued to the Custodian in the 12 months before the application as a result of an instruction given by them to the Custodian to apply for Shares on their behalf under an arrangement similar to the SPP.

SAFETY MEDICAL PRODUCTS LIMITED
ACN 007 817 192

SHARE PURCHASE PLAN – OFFER DOCUMENT

- 5.5 If the Custodian holds Shares jointly on behalf of 2 or more persons:
- 5.5.1 the \$15,000 limit applies jointly in relation to those persons as if the Custodian held the Shares on behalf of a single person; and
 - 5.5.2 the Custodian is taken to have been instructed to apply for Shares on behalf of those persons if:
 - (a) the Custodian has received such an instruction in accordance with the terms on which the Shares are held; or
 - (b) where the terms on which the Shares are held do not cover the giving of instructions of this kind – the Custodian has received such an instruction from any of those persons.
- 5.6 If the Custodian does not provide the certification set out in clause 5.4, the rule for multiple single holdings in clause 5.2 applies.
- 5.7 Where any Eligible Shareholder holds Shares on behalf of another person, it is the Eligible Member's responsibility to ensure that the beneficial owner has an address in an Acceptable Jurisdiction.
- 5.8 Acceptance of an Offer is optional, however if an Eligible Shareholder wishes to accept an Offer, the Eligible Member:
- 5.8.1 must apply for a minimum of \$500 worth of Shares;
 - 5.8.2 subject to clauses 5.2 to 5.5, may only apply for such number of Shares as to not exceed one Maximum Parcel.
- 5.9 All Offers made under the SPP are non-renounceable and therefore cannot be transferred to anyone else.
- 5.10 Participation in the SPP by Eligible Shareholders is optional (subject to the eligibility criteria set out above).
6. If you apply to participate in the SPP by completing and returning the Application Form:
- 6.1 your application, on these terms and conditions, will be irrevocable and unconditional (it cannot be withdrawn);
 - 6.2 you acknowledge that you are an Eligible Shareholder;
 - 6.3 you certify that you have not applied for Shares with an aggregate application price in excess of the \$15,000 limit, even though you may have received more than one offer under the SPP or received offers in more than one capacity under the SPP; and
 - 6.4 you acknowledge that you are lawfully permitted to accept the offer to acquire Shares under the SPP and participate in the SPP in accordance with the laws applicable in Australia and any other applicable laws in the jurisdiction in which you and/or the beneficial owner of your Shares are situated.
7. The Company may modify or terminate the SPP at any time. The Company will notify ASX of any modification or termination of the SPP. The omission to give notice of any modification to, or termination of the SPP or the failure of ASX to receive such notice will not invalidate the termination or modification.
8. The Company may, in any manner it thinks fit, settle any difficulties, anomalies or disputes which may arise in connection with or by reason of the operation of the SPP, whether generally or in relation to any participant, application or Shares. The decision of the Company in this respect will be conclusive and binding on all shareholders and other persons to whom that determination relates.



Safety Medical Products Limited

ABN 26 007 817 192

Share Purchase Plan - Application Form

Eligible Member

<ADDRESS1>
<ADDRESS2>
<ADDRESS3>
<ADDRESS4>
<ADDRESS5>
<ADDRESS6>

Record Date: 27 October 2009

Close Date: 22 November 2009

Issue Price \$0.045

BARCODE

SRN/HIN

A Offer Choice

Indicate your choice below by marking one box only

☐

Offer A
11,111
shares
A\$500.00

☐

Offer B
22,222
shares
A\$1,000.00

☐

Offer C
111,111
shares
A\$5,000.00

☐

Offer D
222,222
shares
A\$10,000.00

☐

Offer E
333,333
shares
A\$15,000.00

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). 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 \$15,000.00.

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 22 November 2009 at:

MAILING ADDRESS: Registries Limited, GPO Box 3993, SYDNEY NSW 2001

DELIVERY ADDRESS: 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.