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ASX RELEASE

Medical Developments finalises Agreement with Schering-Plough for Veterinary use of Methoxyflurane in the United States

Medical Developments International (MVP) today announced that it had secured an agreement to purchase the FDA veterinary licence for Methoxyflurane from Schering-Plough Animal Health Corporation.

MVP is the only manufacturer of Methoxyflurane in the world.

MVP Chief Executive Officer, Dr Simon Fisher explained, "this purchase opens the door for us to launch Methoxyflurane under our own brand into the very large US veterinary anaesthetic market. Schering-Plough had previously used the brand name Metofane."

Dr Fisher added "The next steps are to complete documentation with the US Food and Drug Administration including seeking an FDA audit of our Melbourne manufacturing site. (We have a TGA audit certificate and a recent audit by the GCC States). Subject to completing these regulatory processes, we expect to be in a position to supply the large US veterinary market."

The Company is also exploring opportunities to register Methoxyflurane in other jurisdictions where a significant veterinary anaesthetic market exists.

The Schering-Plough Agreement, together with the company's recent announcement of the registration of its Pentrox product by the Gulf Cooperation Council States: Saudi Arabia, UAE, Bahrain, Qatar, Oman and Kuwait, are significant developments for MVP on the back of the company's reported increase in Net Profit After Tax of 60.4% for the year ended 30 June 2006.

Background on Metofane® (methoxyflurane) & veterinary anaesthetic markets

Methoxyflurane was used extensively for veterinary anaesthesia before the manufacturer of Methoxyflurane ceased production. It gained popularity amongst veterinarians because it evaporates slowly when compared with some other anaesthetics. This means it takes a longer time for animals to become anaesthetised and then wake up. This greatly increases the margin of safety over other anaesthetics which allow animals to recover faster but can lead to injury because the animals become agitated as the anaesthetic quickly wears off. Because Methoxyflurane wears off gradually, MVP expects to exploit a niche opportunity in meeting the increasing veterinary demand for an easier recovery.

Company Profile

MVP is a leader in emergency pain relief and respiratory products. The Company manufactures a fast acting pre-hospital and emergency pain relief product called Pentrox. It is used in all Australian Ambulance Services, the Australian Defence Forces, Sports Medicine, Dentistry and for analgesia during short surgical procedures.

Further Information:

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