

Occupational & Medical Innovations Limited

A.B.N. 11 091 192 871



30 August 2004

Unit 1, 12 Booran Drive
SLACKS CREEK QLD 4127

PO Box 2150
LOGAN CITY BC QLD 4114

Ph: 07 3451 7000 Fax: 07 3209 4765

SHAREHOLDER UPDATE

As part of its Shareholder Communication Plan, Occupational & Medical Innovations Ltd (OMI) is pleased to submit the attached Shareholder Update. This follows on from the most recent Update in April 2004.

The Update contains information on recent Announcements made by OMI, including the signing of a Heads of Agreement with Terumo USA, details of the Share Purchase Plan and its latest innovation, the Safety Needle Case.

A handwritten signature in cursive script, appearing to read 'Keith Taske', is positioned above the printed name and title.

KEITH TASKE

Joint Managing Director



OMI RETRACTABLE SYRINGE TO ENTER US MARKET

OMI is poised to make its long awaited debut in the US syringe market following the signing of a Heads of Agreement with Terumo Medical Corporation in the United States for the distribution of the full range of the OMI Retractable Syringes. Terumo Medical Corporation distribute throughout the United States, Mexico and Canadian markets and is an affiliate of Terumo Corporation.

Terumo Corporation is a world leading medical device and equipment supplier with annual sales of USD\$2.45 billion and operations in more than 150 countries.

Mr Keith Taske, OMI's Joint CEO, said "Following on from the distribution contract with Terumo Australia, the Terumo US agreement is an endorsement of OMI's stated strategy to launch its products through a major multinational domestically and then move to larger international affiliates and markets. The US is the world's only country with safety legislation that enforces the use of safety engineered medical

devices. It is also the largest global market for hypodermic needles and syringes."

AGREEMENT

"To have an agreement with one of the world's largest syringe manufacturers and suppliers, operating in the worlds largest safety medical device market, is testament to the commercial viability of our technology." Mr Taske said.

The agreement comes only six months behind a distribution agreement between

OMI and Terumo Corporation (Australian Branch) in December last year. Terumo Australia will distribute the OMI syringe throughout Australia, New Zealand and the Pacific Islands.

The annual market for hypodermic needles and syringes in the US is in excess of three billion units. By the end of 2004 it is estimated that 38% of the US market will convert to safety syringes and needles and by the end of 2007 the entire market in the US will have converted.



\$4.9 MILLION RAISED IN SHARE PURCHASE PLAN

OMI has successfully raised \$4.9 million in fresh working capital through its recent Share Purchase Plan. The Plan allowed current shareholders to purchase up to 3,225 shares at a discounted price.

A total of 3,176,900 new shares were issued under the plan, taking the total number of shares on issue to 29,530,626.

More than 40% of current OMI shareholders participated in the Share Purchase Plan. Average take up of the shares available was 85%.

OMI Joint CEO Mr Keith Taske said that the funds raised will be used to further expand sales and marketing plans for OMI's Safety Scalpel, Safe IV-Access Valve and Retractable Safety Syringe on the global market.

"The success of this latest raising signals shareholder confidence in OMI's ability to create and distribute to end-users a range of innovative medical products with real-world benefits to healthcare professionals worldwide", Mr Taske said. *(continued page 3)*

A MESSAGE FROM JOINT CEO KEITH TASKE

Welcome to the latest OMI Shareholder Update.

Reaction to our most recent update in April has been overwhelming and confirms that OMI is heading in the right direction with the full support of its shareholder base. This has been further confirmed by the tremendous support our recent Share Purchase Plan enjoyed from our Shareholders, raising some \$4.9 million. These funds will be used to bring our products to new markets and to fund the ongoing R & D into the next generation of OMI devices.

SHARE PRICE

OMI'S current share price certainly does not reflect the enormous progress that has been made over recent months to bring our products to market.

SAFETY SCALPEL.

Sales both in the U.S.A. and Australia continue well above forecasts originally supplied by our distributors, Personna in the U.S.A. and Device Technologies here in Australia.

RETRACTABLE SAFETY SYRINGE.

Full scale commercial production at the manufacturing plant in China is rapidly progressing and should see the rollout to our distributor, Terumo Australia, in the last Quarter of 2004. Following the signing of a Heads of Agreement with Terumo U.S.A., negotiations on a Distribution Agreement are progressing and we expect

to have product available in the worlds largest Safety Syringe market (U.S.A.) in the first quarter of 2005.

SAFE IV ACCESS VALVE.

Our discussions with the worlds largest Valve supplier B.Braun are now progressing at a global level and expectations remain strong that the OMI Safe IV Access Valve will also be at market before the end of the current financial year.

This progress prompted the OMI Board to advise the market of expected revenue receipts in 04/05 of \$5 million with 04/05 being our last loss year. Further, we advised of our forecast of an extremely strong financial year in 06.

I refer our Shareholders to two recent articles that clearly position OMI at the forefront of Australian Syringe share companies. These articles were published in:

The Australian – June 23rd – Titled *"Syringe Makers take the plunge"*

Shares Magazine– July edition – Titled *"No Retraction in Syringe Hype"*

Both these articles are a balanced and accurate account of OMI verses it's competition and can be read on the 'News' section of our web-site. (www.omiltd.com)

I stress again that OMI is a multi – Medical Device company and offers strong sales growth potential as outlined above. We do not rely on one product alone.

Over past months the performance of our share price indicates a strong need for OMI to better acquaint Brokers and share market investors of our plans. Arrangements are being finalised to undertake presentations in Brisbane, Sydney & Melbourne over the coming months to address this need.

The Management of OMI remain extremely confident over the longer term of the market potential of our products which will position the Company at the forefront of Australian Medical Device companies.



OMI Joint CEO's Keith Taske (L) & Bruce Kiehne (R) with the Safety Needle Case.

OMI RETRACTABLE SYRINGE WINS AUSTRALIAN DESIGN AWARD

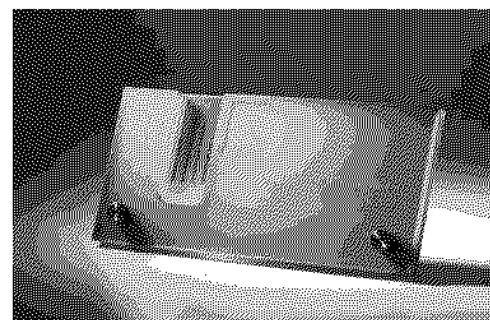
OMI's range of Retractable Syringes has been honoured with an Australian Design Award. The Awards, presented by Standards Australia is Australia's only national design awards program and in the past has recognised some of Australia's most successful commercial inventions including the Hills Hoist, the Victa Lawn Mower, the first Holden Ute and the Winged Keel.

This year a record number of submissions from some of Australia's biggest names in industrial and engineering design were exhibited and judged before an esteemed panel of internationally renowned designers from Australia, South

Africa and the Netherlands.

Among the 13 products vying with OMI for the Australian Design Award in the Medical/Scientific category were Cochlear's AOS Insertion Tool, Ventracor's artificial heart and Resmed's new flow generator. Unitract's retractable syringe was also submitted for consideration, but failed to reach a finalist berth.

With its Safe IV Access Valve also short-listed for the accolade and its retractable safety scalpel the recipient of the 2003 Australian Design Award, OMI has now been formally acknowledged as a serial innovator in the field of medical device technology.



OMI's Retractable Syringe joins its Safety Scalpel as Australian Design Award Winners

OMI CLEANS UP WITH NEW SAFETY CONCEPT

OMI recently unveiled its latest concept, a Portable Sharps Container, designed to combat the serious risk of sharps injuries in the health and medical professions and in the broader community.

The launch at the Brisbane Wesley Hospital was well attended by TV and print media, investors and researchers and medical distributors. Founder of the Needlestick Action Group of Queensland Ms Cindy Bush gave a keynote presentation on the devastating effects of needlestick injuries.

According to OMI founder and inventor Mr Bruce Kiehne, most sharps safety solutions are focussed on the sharps themselves, rather than the circumstances leading up to the injuries.

"With this new concept in sharps usage and disposal, we have tried to solve the cause of the problem, rather than

just the symptoms," Mr Kiehne said.

Mr Kiehne said that OMI's Portable Sharps Container revolutionised sharps containers by storing the same number of needles as a conventional case, but dispensing them only one needle at a time, requiring reinsertion before the device will provide another syringe.

Fail Safe

"The OMI Portable Sharps Container incorporates a number of fail-safe systems, such as an anti-tamper mechanism and complete inaccessibility to syringes stored within the case, giving rise to 'safe-disposal' technology," Mr Kiehne said.

According to Mr Kiehne the new concept is very flexible and adaptable, and should be readily accepted by the marketplace.

"Our case can handle all types of syringes, whether traditional or the newer retractable designs, and will be available across the full range of one, two, five and ten millilitre sizes," Mr Kiehne said.



OMI's new innovation, the Portable Sharps Container.

SHARE PURCHASE PLAN (continued from page 1)

(Continued from page 1)

"In fact, we have been quite overwhelmed by the response. We plan to deliver on this shareholder confidence to quickly implement expansion of our resources to enable the delivery of current developed product to market and allocate increased resources to fund additional product development," he said.

ABN Amro Morgans Managing Director Mr Tim Cromelin said, "The level of shareholder participation was an outstanding outcome and was a strong endorsement of OMI's recent milestone achievements".

Mr Taske added, "We appreciate the loyalty of shareholders and I thank them for their patience as we bring our products to market."

WHATS MY NAME?

OMI's safety devices are yet to be named. If you can think of a suitable name for the Safety Syringe, Safety Scalpel or Safe IV Access Valve, you are in with a chance to win a great prize.

Each winning device name will receive a \$500 Gift Voucher from Myer.

Enter now via our website!

WWW.OMILTD.COM

Entries close September 30, 2004

OMI SYRINGE IN POWERHOUSE MUSEUM DISPLAY

OMI's Retractable Syringe will be on display at Sydney's Powerhouse Museum as part of the 2004 Australian Design Awards exhibition. The year-long exhibition, which commenced in July, features a selection of the best designs from this year's Australian Design Awards, in which the OMI Retractable Syringe won an Australian Design Award in the Medical and Scientific category.

Demonstrating excellence in design, innovation, sustainability and a distinct

competitive edge, the ground-breaking designs on display are testament to the increasing number of exceptional products developed by Australian designers & manufacturers for world markets.

The 2004 Australian Design Awards exhibition also features the winner of the 2004 Invention of the Year, the planetary electric motor model and some of the innovative designs from the Dyson Student Award category.

2004 Australian Design Award Exhibition

July 2004—June 2005

Powerhouse Museum

500 Harris St

Ultimo, Sydney

Ph: (02) 9217 0111

www.phm.gov.au

EMPLOYEE SHARE OPTION SCHEME ANNOUNCED

OMI has recently implemented an Employee Share Option Scheme (ESOP) for its staff. The scheme aims to act as an incentive to employees and will aid the company in recruiting the best possible candidates in the future.

In announcing this initiative, OMI's Founder and major shareholder, Mr Bruce Kiehne said, "The extension of a share option scheme to employees is progressive and a win-win situation for the company and therefore all shareholders. We have a highly effective team at OMI. These people and their motivation, are vital to our ongoing success. This incentive plan means that they will be motivated to stretch even further to achieve, or exceed, company goals".

Share options will be issued to employees at an exercise price of \$2.00 per share. The options will vest over three years provided that certain milestones are achieved. This includes a requirement that the share price for OMI must not be less than \$3.50 within 12 months, \$4.25 within 24 months, and \$5.00 within 36 months.

MOVED HOUSE?

If you have changed address recently, it is important that you update your records on our Share Register. To change or confirm your details, simply phone Computershare Investor Services on 1300 55 22 70 (within Australia).

REPORTING CALENDAR

28 SEPTEMBER	FINAL ACCOUNTS RELEASED
22 OCTOBER	NOTICE OF MEETING & ANNUAL REPORT DISPATCHED TO SHAREHOLDERS
25 NOVEMBER	ANNUAL GENERAL MEETING

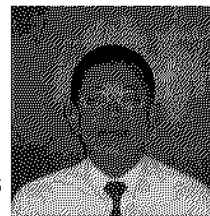
Occupational & Medical Innovations Limited ACN 091 192 871

Unit 1/12 Booran Drive Slacks Creek Qld 4127 Australia
PO Box 2150 Logan City DC Qld 4114 Australia
Ph: +61 7 3451 7000 Fax: +61 7 3209 4765
Email: info@omiltd.com Web: www.omiltd.com

NEW APPOINTMENTS

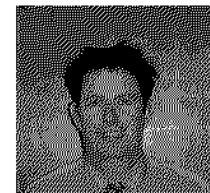
ANDREW LIM

Andrew Lim joins OMI in the newly created role of Special Projects Manager. Having held senior Engineering, Manufacturing & Operations positions throughout Australia, New Zealand and Asia, Andrew's role will be to facilitate and strengthen OMI's 'manufacture through to market' expertise as well as to identify and select manufacturers for future products.



PAUL REA

Paul Rea joins OMI as its new International Business Development Manager. Paul has extensive sales experience in the medical field, having held a number of senior positions with leading pharmaceutical companies. Paul will work closely with the OMI Management team in implementing OMI's sales strategy both within Australia and overseas.



ANGUS CHAPMAN

Angus Chapman is the newest addition to the OMI design team. A skilled Industrial Designer, Angus has been recruited specifically to work on the next generation of OMI products.



TOM HORN

Tom Horn has been appointed as OMI's Manufacturing Manager. A specialist in tool design & injection moulding, Tom will play a pivotal role in overseeing the manufacturing of OMI's current and future product range.

MEDIA ADVISORS APPOINTED

OMI has engaged leading business marketing and communications consulting firm Three Plus as its media consultant. Three Plus is a Brisbane-based firm with senior consultants throughout Australia.

Working closely with the OMI Management team, Three Plus will develop and implement a communication strategy to ensure that OMI receives the widest possible media coverage on an ongoing basis. This will ensure that information is available in the market in a timely manner and distributed as widely as possible, ensuring transparent pricing of OMI's shares.

