



PREMIER BIONICS
LIMITED

ASX ANNOUNCEMENT

Securities to be Released from Escrow

Melbourne, Australia. 14 May 2004.

In accordance with ASX Listing Rule 3.10A the Company advises that the following securities will be released from escrow on 29 May 2004:

- 2,250,000 ordinary shares fully paid;
- 4,650,000 options exercisable at \$0.20 on or before 24 December 2006.

Premier Bionics has received advice from its major shareholder, Peregrine Corporate Limited, (who is also the holder of all the shares to be released from escrow) that it considers its holdings of securities in the Company to be part of its long term portfolio and will, on the basis of fundamental value, continue to accumulate additional securities in the company as market opportunities present.

For further information please contact Mr. Phillip Hains, Company Secretary.

P Hains
Company Secretary

Background on Premier Bionics

Premier Bionics was formed in December 2001 to invest in advanced, Australian-based research in medical devices and diagnostics. The company listed on the Australian Stock Exchange (ASX PBI) in May 2002.

The directors of Premier Bionics identified a confluence of three factors that represented a large commercial opportunity. These factors are: The global medical diagnostics and devices market is estimated to be worth US\$170 billion annually; Australian researchers have a demonstrated capacity for creative contribution to innovation in medical devices and diagnostics; and later stage Australian R&D projects tend to be relatively under-funded.

Premier Bionics' first investment is Pulmosonix Pty Ltd, a company formed to develop technology developed at Monash University's Ritchie Centre for Baby Health Research. Premier Bionics has to date provided A\$1.25m in funding to Pulmosonix for a 72% stake in the company. Premier Bionics was also granted a 7 -year exclusive right of first review, evaluation and commercialisation of technology produced by researchers at the Ritchie Centre in the field of respiratory disorders, sleep apnea and other sleep disorders, and chronic lung disease.

Company information:

Dr Martin Soust

CEO Premier Bionics

Tel: 03 9824 8166