GENESIS BIOMEDICAL

5th Floor, 33 York St, SYDNEY 2000
Telephone 61-2-8916 6778 Facsimile 61-2-8916 6732

TO: COMPANY ANNOUNCEMENTS OFFICE
COMPANY: AUSTRALIAN STOCK EXCHANGE LIMITED
FROM: ROGER SMITH
DATE: 14 DECEMBER 2005
No. PAGES: 2 (INCLUDING THIS COVER PAGE)

UPDATE AND UNDERWRITTEN CAPITAL RAISING

Further to recent announcements the Company wishes to provide the market with a brief update as to current activities including agreement being reached with SA Capital Pty Ltd ("SA") whereby SA have agreed to underwrite a capital raising of $2.4 million as further described below.

Current Activities

1. **Manawatu Biotech Investments Limited ("MBIL")**

The Company to date has provided approximately $300,000 under the terms of the Loan Facility Agreement and expects to contribute approximately a further $50,000 by year end. This loan funding is expected to be in part reduced by partial repayment of loan monies.

As set out in the Company's 2005 Annual Report the following summary project path outlined the planned phases MBIL was to undertake to attempt to commercialise its fertility diagnostic technology.

Phase 1 – Implement Intellectual Property Platform (3 to 6 months from commencement).
Phase 2 - Complete Biochemical Assay Development (3 to 6 months from commencement).
Phase 3 – Complete Test Strip development
Phase 4 - Product pre-market testing and specification refinement

MBIL in conjunction with the Company has completed Phase 1 being the implementation of the intellectual property platform.

MBIL in conjunction with Biodot Inc is currently working on Phase 2 being the biochemical assay development stage. MBIL expect to be in a position to provide some initial results of the work carried out to date in Phase 2, by 2005 year end.

At the completion of Phase 2 above, the Company, in conjunction with its advisers, will be in a better position to assess its various options in relation to this project. The Company will keep the market fully informed as to the status of these results.

2. Cell Gen

As part of the ongoing trial previously reported to the market it has been ascertained that the Company will need to upgrade certain engineering specifications of the Cellgen units currently being used.

The Company is currently assessing the costs, timing and likely next steps in regards to this product.

3. Other Opportunities

The Company continues to review other medical device related opportunities and is currently in the process of further investigating one specific opportunity. The Board believes that this review is at too early a stage to provide any specific detail to the market, however upon this review progressing and should the Company conclude in-principle negotiations successfully, then the Company will provide further detail to the market.

4. Capital Raising

The Directors, at the Company's recent Annual General Meeting, sought approval from shareholders to allot and issue up to 80,000,000 shares at an issue price of not less than $0.025, together with no more than 1 free attaching option to subscribe for a share for every share issued (with an exercise price of not less than $0.025 and an expiry date of not less than 24 months from the date of issue of the option).

This shareholder approval was forthcoming and as a result the Directors have resolved to proceed with a capital raising on the following basis.

1. Issue of up to 80,000,000 shares at an issue price of $0.03 per share to raise up to $2,400,000 (less expenses of the offer);

2. Each share issued will be issued together with a free attaching option to purchase a share in the Company, with each option having an exercise price of $0.03 and an exercise period ending on 30 November 2010;

3. The offer will be made via a transaction specific prospectus which will set out the details of the offer;

4. The Company will look to lodge the prospectus prior to the calendar year end;

5. The Company is pleased to announce that it has entered into an underwriting agreement with SA Capital Pty Ltd to fully underwrite the capital raising described above.