



RiTract Limited

27th May 2004

The Manager
Company Announcements
Australian Stock Exchange
4th Floor
20 Bridge Street
SYDNEY NSW 2000

Dear Sir

Important US Patent granted for Needlesleeve technology

RiTract is pleased to announce that the third in their Needlesleeve family of patents has been granted and approved by the US patent office. The patent is for a safe catheter insertion system and complements the existing patents which cover the safe needle technology.

The Needlesleeve patents bring great value to RiTract Limited for three main reasons:

- The Needlesleeve technology is a simple and effective safety device that could potentially replace all existing needles on the market
- The combination of Needlesleeve, together with the RiTract automatic retractable safety syringe, places the Company in a unique position to address the prevention of needlestick in virtually any medical device involving a needle or syringe.
- The patent portfolio consists of three patents that have been granted in key markets including Australia, US, Europe and other major markets

The market

The market for RiTract represents an estimated annual usage of hypodermic needles worldwide exceeding 40 billion units and worth several billion dollars. The Needlesleeve technology can be applied to any needle used in clinical and veterinary practise and potentially offers a universal, low cost first line of defence against needlestick.

The Needlesleeve patents will also improve the safety of catheter insertion devices used on all patients admitted to hospital. The patents also provide protection against needlestick in areas such as pathology and blood collection including vacuum sample collection techniques.

Ease of use

One of the outstanding features of the Needlesleeve technology is that it works in harmony with current practise so no change is required to existing procedures. Therefore, no extra training of staff is necessary to use the new technology.

Managing Director of RiTract Limited, Rupert Northcott said, "We believe the timing for introduction of our safety needles and retractable syringes is perfect. The combined effects of international legislation, occupational health and safety issues and the sheer cost of dealing with needlestick injuries are putting pressure on health institutions to find effective solutions that address the global needlestick problem.

We are determined that RiTract will lead the field with a range of affordable safety products that provide an 'across the board' solution to the needlestick issue and we will be in a position to do this in harmony with current clinical procedures."

Since announcing the acquisition, RiTract Limited has made significant progress in bringing the Needlesleeve technology to commercialisation. Final designs for a range of products using the Needlesleeve technology are nearing completion and successful meetings have been held with manufacturing partner Shandong Weigao Group who already manufactures a wide range of disposable medical devices that can readily incorporate the Needlesleeve technology.

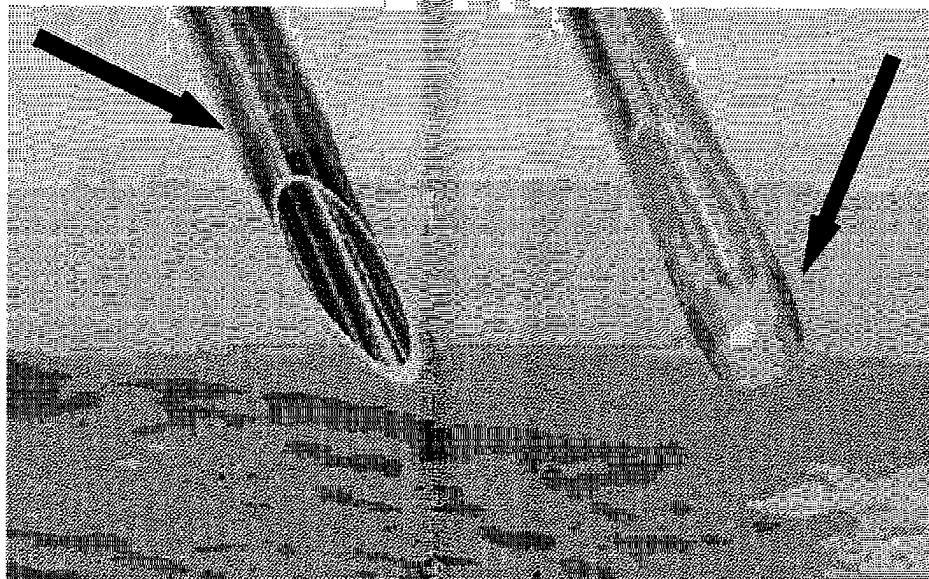
About the Needlesleeve Technology

The patented Needlesleeve technology is designed to ensure that when a needle is withdrawn from a patient the needle tip is automatically covered by a plastic sheath which locks into place. Because the sharp tip of the needle is protected by the sheath, the chance of an accidental prick or piercing of the skin is considerably reduced. The Needlesleeve technology is unique in that a used, possibly contaminated needle point is not exposed even before it is removed from the patient. In addition this new technology provides safety without any requirement to vary surgical or clinical methods.



The Needle Point is safely contained a short distance within a Sleeve whilst still in the patient's tissue.

The Flexible Sleeve Tip provides protection from needlestick injury and also confers important therapeutic benefits by protecting delicate tissue from the Needle Point.



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Yours sincerely,

**Rupert Northcott
Managing Director**

For more information please contact Rupert Northcott on (02) 8923 2512 or Sharon Williams at Taurus Marketing on (02) 9415 4528.