



**Medic Vision Limited
("Medic Vision" or the "Company")**

**Convertible Note issue / Reinstatement of ASX Listing / Update re
proposed legal action against Grindlays**

Melbourne, 3 August 2009

Medic Vision (ASX/AIM: MVH) is pleased to announce the successful completion of an issue of Unsecured Convertible Notes (the "Convertible Note(s)"), subject to shareholder approval at the extraordinary general meeting ("EGM") to be convened in September 2009, raising AU\$848,980 (gross). To date Medic Vision has received AU\$783,980 in cleared bank funds. The outstanding funds of AU\$65,000 are expected to be received no later than 21 August 2009.

The only fees payable in relation to the issue of the Convertible Notes is a fee of AU\$4,500, which is being paid via the issue, subject to shareholder approval, of 100,000 ordinary shares ("Ordinary Shares"). Application will be made for the Ordinary Shares to be admitted to trading on AIM and the ASX.

The terms of the Convertible Note issue are as follows:

Date of issue	Immediately following approval of the issue of the Convertible Notes at the EGM to be held in September 2009
Number of Convertible Notes to be issued	23
Cleared bank funds to date	AU\$783,980
Promised but not cleared funds to date	AU\$65,000
Interest rate payable monthly in arrears (commencing 1 June 2009):	8.5% pa
Voting rights or other entitlements:	Nil
Transferability:	Unlisted/Non-transferable
Conversion price into shares in Medic Vision (ratio 1:1 exercisable after 6 months from the date of issue):	AU\$0.02 per share
Final conversion/redemption date from issue:	1 June 2010
Number of new shares to be issued upon conversion (assuming full conversion):	42,449,000

The following subscribers for Convertible Notes are deemed to be related parties:

Related Party	Number of Ordinary Shares Held	Percentage of Issued Share Capital	Number of Existing Warrants held over Ordinary Shares	Value of Convertible Notes to be Subscribed (AUD\$)	Number of new shares to be issued upon conversion
Ross Horley	5,213,074	4.90	3,500,000 options	AU\$10,000	500,000
Anthony Meats Superannuation Fund	1,050,000	0.99	Nil	AU\$200,000	10,000,000
Frank Cannavo Investments Pty Ltd	1,562,500	1.47	2,500,000 options	AU\$100,000	5,000,000

Pesco Investments Pty Ltd	Nil	Nil	Nil	AU\$20,000	1,000,000
Frank Cannavo Superannuation Fund	1,450,000	1.36	Nil	AU\$50,000	2,500,000
Flavours Fruit and Veg Supply	Nil	Nil	Nil	AU\$20,000	1,000,000
Thirty Eight Vobarb Pty Limited	Nil	Nil	Nil	AU\$10,000	500,000

Accordingly, the independent directors of the Company (being Ratnarajah Navaratnam and Ponnambalam Sivasubramaniam) consider, having consulted with Strand Partners Limited, that the terms of the issue of the Convertible Notes are fair and reasonable insofar as the Company's shareholders are concerned.

Further to the Company's announcement, on 2 March 2009, regarding the board of the Company (the "Board") considering pursuing legal action against Grindlays Capital Pty Ltd ("Grindlays"), the Board has decided not to pursue such legal action as the Board has been advised that the Company is unlikely to recover sufficient funds from Grindlays to make such action worthwhile. The Board also believes that it is a more prudent use of management time to continue to focus on developing Medic Vision's business opportunities, rather than in pursuing potentially time consuming and costly legal action.

The Company is currently in discussion with the ASX and its auditors regarding Medic Vision's reinstatement to ASX listing. A further announcement in relation to this issue will be made in due course.

Medic Vision CEO, Mr Vince Leone commented:

"We are extremely pleased that our Convertible Note issue closed oversubscribed, especially given the current global financial market. The board believes that this is a strong endorsement of the Company's new management and the potential of Medic Vision. The funding provides additional working capital, which the directors believe satisfies the going concern requirements and the Company's financial condition requirement under ASX Listing Rule 12.2 to enable Medic Vision's reinstatement to the official list of the exchange.

Medic Vision's primary focus now is to deliver on its pipeline of opportunities both in Australia and globally."

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Background on Medic Vision Limited

Medic Vision is a technology based company specialising in the application of technology for surgical and medical skills training. Medic Vision provides consulting services in the development of skills training centres as well as developing and deploying computer-based surgical and medical high fidelity simulators.

See www.medicvision.com.au for more details