

October 26, 2009

Manager of Company Announcements
Australian Stock Exchange Limited
Level 6, 20 Bridge Street
NSW 2000
By E-Lodgement

Unilife Secures A\$5.6m (US\$5.2m) In Pennsylvania Job Creation Program Funds To Fuel Corporate Expansion

Unilife Medical Solutions Limited (“Unilife” or “the Company”) (ASX: UNI / OTCPK: UNIFF) today announced it has accepted a A\$5.6 million (US\$5.2 million) offer of assistance from the Commonwealth of Pennsylvania to support the creation of 241 new jobs within York County.

The offer of assistance from the Commonwealth of Pennsylvania accepted by Unilife includes access to the following programs:

- An award of A\$2.17 million (US\$2 million) for the development of a new facility in South-Central Pennsylvania under the Redevelopment Assistance Capital Program (RACP);
- Up to A\$2.17 million (US\$2 million) in low-interest financing loans for land and building acquisition and construction costs from the Pennsylvania Industrial Development Authority (PIDA);
- A A\$542,000 (US\$500,000) Opportunity Grant, which may be used for any eligible costs associated with a company project;
- A\$522,000 (US\$482,000) in Job Creation Tax Credits for the creation of 241 highly-skilled jobs by 2013, which can be applied to the Company’s Pennsylvania Corporate Net Income Tax obligations; and
- A\$216,000 (US\$200,000) in Customised Job Training Grants, which reimburse 75% of eligible costs associated with advanced level training for new or existing employees.

These funds will be used to support Unilife’s establishment as a US-based global leader in the design, development and supply of innovative safety medical devices for use within US and international pharmaceutical and healthcare markets. Over the last 12 months, Unilife has moved toward this goal by relocating key commercial and operational functions from Australia to its FDA-registered manufacturing facilities in Lewisberry, Pennsylvania. The Company has effectively doubled its size during this period with 87 staff now employed at its Lewisberry facility.

The Company recently announced steps to further accelerate its rate of business expansion within the United States, and, in particular, Central Pennsylvania. These expansion plans include the proposed redomiciliation of Unilife from Australia to the United States, listing of the Company on NASDAQ and the establishment of a major new global headquarters and manufacturing facility within Central Pennsylvania, which is evolving as a global centre for pharmaceutical and medical device development.

The RACP and PIDA funds committed from the Commonwealth will be used to develop the new Unilife facility in York County, Pennsylvania. The facility will support anticipated demand from pharmaceutical companies and other healthcare industry leaders for Unilife’s range of ready-to-fill and clinical safety syringes, with production capacity of the ready-to-fill syringe expected to exceed 450 million units per year beyond 2014.

The 241 positions expected to be created at the facility will help drive this business expansion, and include a range of highly-skilled roles including the production, validation, marketing and supply of Unilife’s current and pipeline products. Further information on the development of this new facility will be released by the Company upon the signing of the formal agreements with the selected developer.

Should the Pennsylvania General Assembly not pass a new Capital Budget Itemization Act by December 31, 2009, the A\$2.17 million (US\$2 million) RACP award will be replaced by the provision of A\$2.17 million (US\$2 million) over 10 years for business renovations under the Infrastructure and Facilities Improvement Program (IFIP).

Unilife Medical Solutions Limited

Comments by Commonwealth of Pennsylvania Governor Ed Rendell

“Unilife’s decision to expand its operations in York County is further proof that we can grow our economy and create good jobs and opportunities for our people if we’re willing to invest in ourselves,” said Governor Rendell. “Having a dynamic company of Unilife’s calibre choose to locate their headquarters reflects well on our efforts and on the workforce in York County. It also illustrates the value in building partnerships and relationships outside of the U.S.”

Comments by Unilife CEO Alan Shortall

Unilife’s CEO, Alan Shortall, stated, “We are very pleased that the Commonwealth of Pennsylvania has chosen to offer Unilife this significant funding package that will help stimulate high-tech job creation and local investment during such challenging economic times. It is clear to me that the Pennsylvania government shares Unilife’s vision, and has confidence in our ability to continue to deliver upon our business objectives and help the many millions of healthcare professionals and self-injecting individuals currently at risk of needlestick injuries and the blood borne viruses they can transmit.

“As an emerging global leader for innovative safety medical devices, we are committed to helping enhance the international credentials of Pennsylvania as a place for pharmaceutical and healthcare companies to do business.

“The funding program will help defray the initial costs and cash outlays required for the acquisition of our new facility and the automated production lines necessary to manufacture our products. We are fortunate to be working with a Government that displays the leadership and forward-thinking needed to support companies such as Unilife who are expanding their operations within Pennsylvania and providing vital job opportunities for highly-skilled individuals.”

—ends—

Shareholder / Analyst Enquiries:

Australia	Jeff Carter	Phone: + 61 2 8346 6500
United States	Stuart Fine	Phone: + 1 908 469 1788

About Unilife

Unilife Medical Solutions Ltd is an ISO 13485 certified company that designs, develops and supplies innovative safety medical devices. Listed on the Australian Securities Exchange (ASX : UNI) since 2002, Unilife has FDA-registered manufacturing facilities in the US State of Pennsylvania and a proprietary portfolio of clinical and prefilled safety syringes designed for use within healthcare and pharmaceutical markets.