

25 October 2010

**Medic Vision Limited
Non-Renounceable Rights Issue**

Dear Shareholder

Medic Vision Limited (the Company) is pleased to provide an opportunity for holders of shares in the Company (Shareholders) with a registered address in Australia or New Zealand (Eligible Shareholders) as at 7:00 p.m. AEDT on 1 November, 2010 (Record Date) to participate in a non-renounceable pro rata rights issue (Rights Issue or the Offer).

Pursuant to the Rights Issue the Company will issue up to approximately 70,211,559 fully paid ordinary shares in the capital of the Company (New Shares) at an issue price of \$0.065 (6.5 cents) per New Share. The New Shares will be offered to Eligible Shareholders on the basis of one (1) New Share for every three (3) fully paid ordinary shares (Shares) held in the Company as at the Record Date (Entitlement). Fractional entitlements will be rounded up to the nearest whole number of New Shares. The New Shares will be fully paid, will rank equally with the Company's existing issued Shares and the Company will make an application to the ASX for official quotation of the New Shares.

The Rights Issue provides Eligible Shareholders with an opportunity to increase their investment in the Company at an attractive price. The issue price of 6.5 cents per New Share represents a 35% discount to the closing price of Shares (10 cents) as traded on ASX on 21 October 2010.

If fully subscribed, the Offer will raise approximately \$4,563,751 before transaction costs. The Rights Issue will not be underwritten but Directors will retain the right to place any shortfall at their discretion. The Company will use the net proceeds from the Offer to finance the previously announced acquisition of mConnect Group and for working capital purposes.

Full details of the Offer are contained in the Offer Document, lodged with ASX on 22 October 2010. The Offer Document is available on the ASX website. The Offer Document and an entitlement and acceptance form will be sent to all Eligible Shareholders on Thursday 4 November 2010.

The rights to subscribe for the New Shares in accordance with an Entitlement under the Offer (Rights) are non-renounceable which means that Eligible Shareholders who do not wish to subscribe for some or all of their Entitlement will be unable to sell their respective Rights.

The number of issued Shares at the date of this letter and the total number of issued Shares at the close of the Offer (if fully subscribed) are as follows:

Medic Vision Limited
A.C.N: 099 084 143
Suite 4.12/4.13 Level 4, 343 Little Collins Street, Melbourne, 3000.
T +61 (0) 3 9371 0300
F +61 (0) 3 9015 6468

Number of Shares currently on issue and quoted on ASX	210,634,676
Number of New Shares to be issued under the Offer	Up to approximately 70,211,559
Total Shares on issue on completion of the Offer	Up to approximately 280,846,235

Shareholders as at the Record Date that have a registered address outside Australia or New Zealand (Ineligible Shareholders) will not be eligible to participate in the Offer. In accordance with ASX Listing Rule 7.7.1, the Company has determined that it would be unreasonable to extend the Offer to Ineligible Shareholders.

Under the Offer, Eligible Shareholders may:

- take up all of their Entitlement;
- allow all of their Entitlement to lapse; or
- take up part of their Entitlement and allow the balance to lapse.

Eligible Shareholders who are taking up part or all of their Entitlement must ensure that the completed Entitlement and Acceptance Form and Application Money is received by the Company's share registry, Computershare Investor Services Pty Limited, by 5.00pm AEDT on the Closing Date (Friday, 19 November 2010).

The Company advises that Shareholder approval for the issue of New Shares pursuant to the Rights Issue and the placement of any shortfall is not required under the ASX Listing Rules and accordingly Shareholder approval will not be sought.

The proposed timetable and important dates of the Rights Issue are set out below.

Event	Date
Announcement of Rights Issue, Offer Document, Appendix 3B and cleansing notice lodged with ASX	Friday 22 October 2010
Notice to Shareholders containing information required by Appendix 3B	Monday 25 October 2010
Ex date – the date on which Shares commence trading without the entitlement to participate in the Rights Issue	Tuesday 26 October 2010
Record Date – the date for determining entitlements of Shareholders to participate in the Rights Issue	Monday 1 November 2010
Dispatch of Offer Document and Entitlement and Acceptance Form	Thursday 4 November 2010
Rights Issue opens for acceptances	Thursday 4 November 2010
Closing Date	Friday 19 November 2010

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Securities quoted on a deferred net settlement basis	Monday 22 November 2010
Shortfall notification	Wednesday 24 November 2010
Allotment of New Shares	Thursday 25 November 2010
Despatch of Certificates to Shareholders	Monday 29 November 2010

This timetable is indicative only and subject to change. Subject to the Corporations Act 2001 and the Listing Rules, the Directors reserve the right to vary these dates, including the Closing Date. The Directors also reserve the right not to proceed with the Offer (or any part of it) at any time prior to allotment. In that event, any application money received will be returned without interest.

Please ensure you read the Offer Document in its entirety and refer to Medic Vision ASX announcements before considering whether to participate in the Offer. If in any doubt you should consult your professional advisor.

For further information on your Entitlement please contact the Company's share registry Computershare Investor Services Pty Limited by telephone on 1300 615 021 (within Australia) and +61 3 9938 4364 (outside Australia).

Yours faithfully

Justyn Stedwell
Company Secretary
 On behalf of the Board of Directors
 Medic Vision Limited

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