



MEDIGARD LIMITED

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19 March, 2009

Manager of Company Announcements
Australian Stock Exchange Limited
Level 6, 20 Bridge Street
SYDNEY NSW 2000

By e-lodgement

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Letter to Shareholders

Please find attached a letter sent to shareholders dated 17 March, 2009.

Peter Emery
Chief Executive Officer

For further information contact:
Peter Emery, Telephone (07) 5528 0370



17 March, 2009

Dear Shareholder

Extension of Share Purchase Plan and Other Matters

Further to our announcement of 13 March 2009, Medigard confirms that it has extended the Share Purchase Plan by a period of two weeks. The reason for the extension was to allow beneficiaries of nominee companies to also participate in the plan.

The effect of the extension is twofold. Firstly, it means the Indicative Timetable detailed in the offer document has also been extended and accordingly the offer will now close on 27 March 2009 with allotment of shares to occur on 3 April, dispatch date for holding statements to be 6 April and listing of new shares to be 8 April. Secondly, it means that all shareholders who have not yet participated are able to do so up until Friday 27 March. Closing time will be 5.00 pm AEST i.e. Brisbane time, on that day.

A further reminder to shareholders is that all shareholders at the record date of Wednesday 18 February, 2009 will be eligible for Loyalty Options being issued at the rate with one option for every three shares held. Of course, subscribers in the Share Purchase Plan will have more shares as a result of their subscription and hence be entitled to more options. The details of the Loyalty Option issue will be made available as soon as possible after the closing of the Share Purchase Plan. At the close of business today, shares in Medigard were exactly 8.0 cents.

Shareholders' attention is also drawn to the company's announcement of 10 March, 2009. In that we advised that we had signed an agreement with Smith Associates to undertake preliminary test marketing of our blood collection device in the USA. The test marketing will be undertaken in various prestigious hospitals and clinics under rigorous conditions. The results will determine both the strength of demand for the product and enable us to better plan our marketing strategy.

For those shareholders who have not yet taken up the Share Purchase Plan offer, we commend it to your consideration and to those who have then we appreciate your continued support.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Peter M. Emery".

Peter M. Emery
Chief Executive Officer