

26 August 2011

By Facsimile: 1300 300 021

Manager Companies  
Company Announcements Office  
Australian Securities Exchange Limited  
Level 4, Stock Exchange Centre  
20 Bridge Street  
SYDNEY NSW 2000

Dear Sir,

**Share Consolidation**

Following the approval by shareholders at the General Meeting held on August 16, 2011 of Resolution 2 Share Consolidation on the basis that every fifty (50) shares be consolidated into one (1) share and that all options on issue be adjusted in accordance the terms and conditions of the options. The Company now reports that documentation will be despatched to share and option holders today.

Details of the consolidation are attached.

Yours faithfully,



Richard Wadley  
Company Secretary

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<b>IM Medical Limited</b>	<b>Shares</b>	<b>Options</b>
Securities on Issue as at August 16, 2011	5,527,476,886	4,731,862,273
<b>Total following Consolidation (1:50)</b>	<b>110,549 965</b>	<b>94,637,250</b>
<b>Top 20 Listing</b>		
Thirty –Seventh Killenaule	24,447,603	22.11%
Trustee Co PL	17,932,151	16.22%
Melbourne Radiology SVCS	8,613,304	7.79%
Scott Super Nom PL	5,454,546	4.93%
Merrill Lynch Aust Nom PL	9440,072	0.85%
Farah Nom PL	637,947	0.58%
Van Der Laan Rene A	610,060	0.55%
Palumbo Entps PL	604,285	0.55%
Marshall Damien	509,561	0.46%
Alh PL	500,000	0.45%
Del Vecchio Athanasia	500,000	0.45%
Ramlu Sarojini	500,000	0.45%
Zephyr PL	489,269	0.44%
Bruer Caleb and Danielle	480,000	0.43%
Bruer Cheryl Anne	480,000	0.43%
Bazeley Lynette Dulcie	465,000	0.42%
Wallace Robert Lawrence	405,000	0.37%
Frust Jeffrey	400,000	0.36%
Li Wei Dong	396,000	0.36%
Cunnington Lee Ramon	384,000	0.35%
<b>Top 20 total</b>	<b>64,748,798</b>	<b>58.55%</b>

Date Issued	Holder	Options PRE RECON	Exercise price Pre Recon	Lapse date	CODE	ULO Post Recon	Exercise price Post Recon
19/02/10	Fortrend Securities	3,000,000	\$0.00279	18/02/13	IMIAD	60,000	\$0.1395
03/03/10	Fortrend Securities	3,000,000	\$0.00279	03/03/13	IMIAE	60,000	\$0.1395
25/03/10	Fortrend Securities	3,000,000	\$0.00189	25/03/13	IMIAF	60,000	\$0.0945
14/04/10	Fortrend Securities	2,600,000	\$0.00198	13/04/13	IMIAG	52,000	\$0.0990
13/08/10	THIRTY-SEVENTH KILLENAULE NOMS	1,142,380,141	\$0.00350	12/08/13	IMIAH / IMIAJ	22,847,603	\$0.1750
	VARIOUS = 60 HOLDERS	3,496,777,777	\$0.00250	12/08/13	IMIAH / IMIAJ	69,935,559	\$0.1250
04/09/08	Fortrend Securities	3,664,846	\$0.00900	04/09/11	IMIAI	73,297	\$0.4500
24/11/08	Fortrend Securities	2,994,509	\$0.00297	24/11/11	IMIAK	59,891	\$0.1485
23/01/09	Fortrend Securities	5,000,000	\$0.00270	23/01/12	IMIAM	100,000	\$0.1350
30/04/09	Fortrend Securities	5,600,000	\$0.00585	30/04/12	IMIAO	112,000	\$0.2925
07/05/09	Fortrend Securities	5,600,000	\$0.00477	07/05/12	IMIAQ	112,000	\$0.2385
26/08/09	Fortrend Securities	905,000	\$0.00378	26/08/12	IMIAS	18,100	\$0.1890
29/09/09	Fortrend Securities	1,540,000	\$0.00324	29/09/12	IMIAU	30,800	\$0.1620
02/11/09	Fortrend Securities	6,000,000	\$0.00333	02/11/12	IMIAW	120,000	\$0.1665
07/10/09	Fortrend Securities	2,800,000	\$0.00333	07/10/12	IMIAY	56,000	\$0.1665
02/12/09	Fortrend Securities	2,000,000	\$0.00280	02/12/12	IMIAZ	40,000	\$0.1400
17/12/09	Fortrend Securities	4,000,000	\$0.00279	17/12/12	IMIAA	80,000	\$0.1395
04/01/10	Fortrend Securities	4,000,000	\$0.00270	05/01/13		80,000	\$0.1350
14/01/10	Fortrend Securities	2,000,000	\$0.00270	14/01/13		40,000	\$0.1350
22/01/10	Fortrend Securities	3,000,000	\$0.00351	22/01/13		60,000	\$0.1755
29/01/10	Fortrend Securities	8,000,000	\$0.00351	29/01/13		160,000	\$0.1755
03/05/10	Fortrend Securities	4,000,000	\$0.00234	03/05/13		80,000	\$0.1170
11/05/10	Fortrend Securities	4,000,000	\$0.00208	11/05/13		80,000	\$0.1040
19/05/10	Fortrend Securities	4,000,000	\$0.00221	19/05/13		80,000	\$0.1105
26/05/10	Fortrend Securities	4,000,000	\$0.00185	26/05/13		80,000	\$0.0925
03/06/10	Fortrend Securities	4,000,000	\$0.00182	03/06/13		80,000	\$0.0910
21/06/10	Fortrend Securities	4,000,000	\$0.00183	21/06/13		80,000	\$0.0915
		<b>4,731,862,273</b>				94,637,250	