



IMPEDIMED LIMITED

ABN 65 089 705 144

RENOUNCEABLE ENTITLEMENT OFFER

A renounceable entitlement offer of 1 New Share for every 9 Shares held at an Issue Price of A\$0.64 per New Share raising approximately A\$7 million.

This document is important and should be read in its entirety. You should contact your professional adviser about the contents of this Offer Summary if you are in doubt about it. The Offer Summary is provided for information purposes and is not a prospectus or other disclosure document under the Corporations Act.



Lead Manager and Underwriter
Wilson HTM Corporate Finance Limited
ABN 65 057 547 323

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Important Information

This Offer Summary is dated 28 May 2009.

Not investment advice

You should read this Offer Summary in its entirety and refer to the releases made by the Company to the ASX before deciding whether to apply for New Shares. In particular, you should consider the risk factors outlined in Section 6 and consider these factors in light of your personal circumstances, including financial and taxation issues. The information provided in this Offer Summary is not financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. You should conduct your own independent review, investigation and analysis of the New Shares and obtain any professional advice you require to evaluate the merits and risks of an investment in the Company before making any investment decision based on your investment objectives.

Financial forecasts and other forward looking statements

Some of the statements appearing in this Offer Summary may be in the nature of forward looking statements, including statements of current intention, statements of opinion and predictions as to possible future events. You should be aware that such statements are not statements of fact and there can be no certainty of outcome in relation to the matters to which the statements relate. Forward looking statements are subject to many inherent risks and uncertainties before actual outcomes are achieved. Actual outcomes may differ materially from the events, intentions or results expressed or implied in any forward looking statement in this Offer Summary. None of the Company or persons named in this Offer Statement or any person involved in the preparation of this Offer Summary makes any representation or warranty (express or implied) as to the

accuracy or likelihood of fulfilment of any forward looking statement, or any intentions or outcomes expressed or implied in any forward looking statement. You are cautioned not to place undue reliance on any forward looking statement having regard to the fact that the outcome may not be achieved.

No representations other than as set out in this Offer Summary

No person is authorised to give any information or make any representation in connection with the Offer other than as contained in this Offer Summary. Any information or representation in connection with the Offer not contained in this Offer Summary is not, and may not be relied upon as having been authorised by the Company or any of its officers.

Defined terms

Defined terms and abbreviations used in this Offer Summary are explained in Section 8.

1. Key Offer Information

Key financial data relating to the Offer

Issue Price per New Share	A\$0.64 per New Share payable in full on application
Eligible Shareholder Entitlements	1 New Share for every 9 Shares held on the Record Date
Discount of the Issue Price to the closing price of \$0.755 on Monday 25 May 2009	15.2%
Discount of the Issue Price to the theoretical ex-rights price ¹ of \$0.748 using the 5 day VWAP of \$0.770	14.4%
Approximate number of New Shares to be issued under the Offer	10.89 million New Shares
Approximate amount to be raised under the Offer (after expenses)	A\$6.6 million
Approximate number of Shares on issue following the Offer ¹	108.9 million Shares

¹Includes 7,812,500 Placement Shares to be issued under the placement announced on 28 May 2009

Key Dates*

Announcement of the Offer – Offer Summary, Appendix 3B and section 708AA cleansing notice lodged with the ASX	28 May 2009
Ex Date. Date on which Shares commence trading without the entitlement to participate in the Offer	1 June 2009
Rights Trading opens. Date from which Eligible Shareholders are entitled to trade their Rights	1 June 2009
Record Date. Date for determining entitlements of Eligible Shareholders to participate in the Offer (at 7.00 pm AEST)	5 June 2009
Offer Summary and Entitlement and Acceptance Forms sent to Eligible Shareholders	10 June 2009
Rights Trading ceases	18 June 2009
Closing Date – The last day for receipt of applications for New Shares (at 5.00 pm AEST)	25 June 2009
Despatch Date. Issue of New Shares and despatch of holding statements for New Shares	3 July 2009
First Trading Date – Trading of New Shares commences	6 July 2009

*These dates are indicative only and may be subject to change. Subject to the Listing Rules, the Directors, in conjunction with the Lead Manager and Underwriter reserve the right to vary the dates. The Directors also reserve the right not to proceed with the whole or part of the Offer.

¹ The theoretical ex-rights price is the theoretical price at which Shares should trade immediately after the ex-date for the Offer. The theoretical ex-rights price is a theoretical calculation only and the actual price at which Shares trade immediately after the ex-date for the Offer will depend on many factors and may not be the same as the theoretical ex-rights price.

2. Chairman's Letter

Dear Shareholder,

On behalf of the Directors, I am pleased to invite you to participate in the Offer announced by the Company. The Offer provides Eligible Shareholders with the right to purchase 1 new Share for every 9 Shares held, at an issue price of \$0.64 to raise approximately \$7.0 million. In conjunction with the Offer, your Company has announced a \$5.0 million placement, issuing new Shares at \$0.64 to institutional and sophisticated investors.

The Rights being offered are renounceable which means that your Rights to subscribe for New Shares under this Offer Summary are transferable and the Rights will be able to be traded. For details of how you can deal with your Rights, please refer to Section 4 of this Offer Summary. The Offer is fully underwritten by Wilson HTM Corporate Finance Limited.

This capital raising follows an exciting 12 months for ImpediMed. In October 2008, the L-Dex™ U400 became the first device to receive US Food and Drug Administration clearance for aiding in the clinical assessment of unilateral lymphedema of the arm of female breast cancer survivors. A small team was formed to bring the device to the clinic, and the Company has since entered agreements with around 50 breast surgeons and oncologists. The surgeons include key opinion leaders in the field.

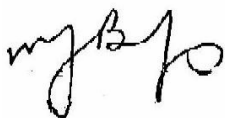
The acceptance of the device follows recent high profile studies showing that early detection of lymphedema, and pre-emptive treatment can prevent the condition from progressing to irreversible stages. The technology is well positioned as all parties in this new pre-emptive care paradigm stand to benefit. Clinicians and therapists can manage lymphedema more effectively. Regular assessment can provide peace of mind for patients from what was recently described as one of the most dreaded sequelae for breast cancer survivors. The anticipated reduced treatment and associated costs is expected to assist in health insurers lowering their claims burden.

The purpose of the capital raising is to enable the Company to meet existing demand for the L-Dex™ U400. ImpediMed will principally use the funds to expand the interface with clinicians both in awareness and training in the use of the device, continue support of the multi layered reimbursement strategy, and to fund other initiatives with the aim of broad adoption of the device by US breast surgeons and oncologists.

Information about the Offer and the key risks of investing in the Company are set out in this Offer Summary. I encourage you to read it in its entirety before making your investment decision.

On behalf of the Board I encourage you to take up this Offer and look forward to you continuing your investment in the Company.

Yours faithfully



Mel Bridges
Chairman

3. Details of the Offer

The Offer

The Company is making an Offer of New Shares to Eligible Shareholders on the basis of 1 New Share for every 9 Shares held on Record Date. The Issue Price for each New Share is A\$0.64, payable in full on application. Fractional entitlements are being rounded up to the next whole New Share.

The number of New Shares you are entitled to apply for is shown on the accompanying Entitlement and Acceptance Form. The Closing Date for receipt of Entitlement and Acceptance Forms and payment of Application Monies is 5:00 pm AEST on Thursday, 25 June 2009 or such other date as the Directors may determine, subject to the requirements of the Listing Rules. There is no minimum subscription.

The number of New Shares which will be issued under the Offer will be approximately 10.89 million. The issue of New Shares will raise gross proceeds of approximately A\$7.0 million. The costs of the Offer are expected to be approximately \$410,000.

Your Entitlement

Your Entitlement, that is, the number of Rights you have (or, the number of New Shares for which you are entitled to apply) is shown on the accompanying Entitlement and Acceptance Form. Fractional entitlements to New Shares will be rounded up to the nearest whole number.

The Record Date for the purpose of the Offer is 7.00pm (AEST) on 5 June 2009. Eligible Shareholders who are registered as the holders of Shares on the Record Date will be entitled to participate in the Offer. The holders of Options may participate in the Offer if they exercise their Options and are on the Company's share register as the holder of Shares on the Record Date.

Applications for Additional Shares

You may apply for more New Shares than the number shown on your Entitlement and Acceptance Form in multiples of 1,000 New Shares (\$640). To do this, complete the Additional Shares section in the Entitlement and Acceptance Form. Applications for Additional Shares may be considered if a Shortfall exists. Additional Shares will be issued to Eligible Shareholders at the discretion of the Directors and in consultation with the Lead Manager and Underwriter. There is no guarantee that you will receive Additional Shares.

Shortfall

The Directors reserve the right to issue any Shortfall at their discretion. The Directors intend to actively seek to place the full extent of any Shortfall in conjunction with the Lead Manager and Underwriter. As set out in Section 4, Eligible Shareholders may apply for Additional Shares which may be issued in the case of a Shortfall.

Rights trading

Rights are renounceable, which means that Eligible Shareholders who do not wish to take up all or part of their Entitlement may choose to sell their Rights on the ASX or to another person other than on the ASX. Information on how Rights may be sold is set out in Section 4.

Closing Date

The Company will accept Entitlement and Acceptance Forms and payment of Application Monies until 5:00 pm AEST on Thursday, 25 June 2009 or such other date as the Directors may determine, subject to the requirements of the Listing Rules.

Underwriting

The Offer is fully underwritten by Wilson HTM Corporate Finance Limited. The Underwriting Agreement is summarised in Section 7.

Issue of New Shares

The Company expects to issue the New Shares on Monday, 06 July 2009. No issue of New Shares will be made until permission is granted for quotation of the New Shares on the ASX.

Ranking of New Shares

All New Shares being offered will, on issue, rank equally in all respects with all other Shares on issue. The Company will apply for quotation of the New Shares to be traded on the ASX.

CHESS

Under CHESS, Applicants will not receive a certificate but will receive a statement of their holding of New Shares.

If you are registered in the Issuer Sponsored Subregister, your statement will be despatched by Security Transfer Registrars Pty Ltd and will contain the number of New Shares issued to you under this Offer Summary and your security holder reference number.

Overseas and Ineligible Shareholders

This Offer Summary does not constitute an offer or issue in any place in which, or to any person to whom, it would be unlawful to make such an offer or issue. The Offer is not being extended to, and New Shares will not be issued or allotted to Shareholders with registered addresses outside of Australia or New Zealand. In particular, the New Shares have not been and will not be, registered under the US Securities Act and may not be offered, sold or delivered within the US or to or for the account or benefit of any US Person, except pursuant to applicable exceptions from registration. Accordingly, Entitlement and Acceptance Forms will not be sent to Shareholders with registered addresses outside of Australia or New Zealand.

The distribution of this Offer Summary and the accompanying Entitlement and Acceptance Form outside of Australia or New Zealand may be restricted by law and persons who come into possession of this Offer Summary and the accompanying Entitlement and Acceptance Form should seek advice on and observe those restrictions. Any failure to comply with those restrictions may constitute a violation of applicable securities laws.

Where this Offer Summary has been dispatched to Ineligible Shareholders, it is provided for information purposes only.

Sale of Rights of Ineligible Shareholders

The Company has appointed Wilson HTM to sell the Rights of Ineligible Shareholders on the ASX if there is a viable market in the Rights and a premium over the expenses of sale can be obtained.

Wilson HTM, in its absolute discretion, may determine the price or manner in which any sale is made.

Any interest earned on the proceeds of the sale of these Rights will firstly be applied against expenses of such a sale, including brokerage, and any balance will accrue to the Company.

The proceeds of sale (if any) of all Rights of Ineligible Shareholders will be aggregated and distributed in Australian dollars to the Ineligible Shareholders for whose benefit the Rights have been sold in proportion to their shareholdings at the Record Date (after deducting brokerage, commission and other expenses).

Neither the Company nor Wilson HTM will be liable for a failure to sell Rights or to sell Rights at any particular price. If there is no viable market for the Rights of Ineligible Shareholders, their Rights will be allowed to lapse and the relevant New Shares will become part of the Shortfall.

Taxation

Shareholders should be aware that there may be taxation implications associated with participating in the Offer. The taxation consequences of participating in the Offer may vary depending on the individual circumstances of the Shareholder. Shareholders should consult their own professional taxation advisers to obtain advice in relation to the taxation laws and regulations applicable to their personal circumstances.

Risks

An investment in the Company involves a number of risks. The risks associated with an investment in the Company are set out throughout this Offer Summary and, in particular, in Section 6 and you should consider these factors in light of your personal circumstances, including financial and taxation issues.

4. What Eligible Shareholders May Do

Your entitlement to New Shares is shown on the accompanying Entitlement and Acceptance Form. Before taking any action in relation to the Offer, you should read this Offer Summary in its entirety, and seek advice from your professional adviser if required.

You may:

- take up all or part of your Entitlement and you may apply for Additional Shares in excess of your Entitlement; or
- sell your Rights in full or in part on the ASX; or
- transfer all or part of your Rights to another person other than on the ASX; or
- do nothing and allow all of your Entitlement to lapse and become part of the Shortfall.

If you wish to take up all or part of your Entitlement for New Shares

If you wish to take up all or part of your Entitlement, you should complete the accompanying Entitlement and Acceptance Form in accordance with the instructions set out on the form, specifying the amount of your Entitlement you wish to take up. Send the completed Entitlement and Acceptance Form together with your cheque for the applicable Application Monies to the Share Registry at the address set out on the Entitlement and Acceptance Form. Completed Entitlement and Acceptance Forms must reach the Share Registry by no later than 5:00 pm AEST on the Closing Date of Thursday, 25 June 2009.

As an alternative you may pay Application Monies by BPAY[®] and those Application Monies must reach the Share Registry by no later than 5:00 pm AEST on the Closing Date of Thursday, 25 June 2009.

If you wish to apply for Additional Shares

If you wish to apply for Additional Shares, follow the instructions on the Entitlement and Acceptance Form and specify the total number of New Shares you wish to apply for. You must provide the Application Monies by cheque, bank draft or BPAY for the total number of New Shares you wish to apply for. There is no guarantee that you will receive Additional Shares. In the event of a Shortfall, Additional Shares may be issued to Eligible Shareholders at the discretion of the Directors, in consultation with the Lead Manager and Underwriter. If you do not receive any or all of the Additional Shares you applied for, any excess Application Monies will be returned to you (without interest).

If you wish to Sell your Rights in full or in part on the ASX

If you are an Eligible Shareholder and wish to sell some or all of your Rights on the ASX, please contact your stockbroker as soon as possible. You can trade Rights on the ASX

[®] Registered to BPAY Pty Ltd (ABN 69 079 137 518)

from Monday, 1 June 2009. Rights trading on the ASX closes, and all trading of Rights must be effected by, 4pm on Thursday, 18 June 2009.

If you wish to transfer all or part of your Rights to another person other than on the ASX

If you wish to transfer all or part of your Entitlement to a person other than by trading on the ASX, you must complete and forward:

- (1) a renunciation form (obtainable from the Share Registry);
- (2) your Entitlement and Acceptance Form; and
- (3) the transferee's cheque or bank draft for the Application Monies, to the Share Registry at:

Link Market Services Limited
Level 12, 300 Queen Street
Brisbane Qld 4000
Ph: 1300 554 474

by 5pm AEST on the Closing Date Thursday 25 June 2009. You may transfer all or part of your Entitlement to another person in this manner.

If you are an Eligible Shareholder on the CHESS sub-register, you must contact your sponsoring broker to effect the transfer. The Share Registry is unable to transfer Rights either to or from a CHESS holding. If the Share Registry receives both a completed renunciation and transfer form and a completed Entitlement and Acceptance Form in respect of the same Rights, the renunciation and transfer form will be given effect in priority to the Entitlement and Acceptance Form.

Do nothing and allow all of your Entitlement to New Shares to lapse and become part of the Shortfall

If you decide not to take up all or part of your Entitlement, do not take any further action and your Rights will lapse. The New Shares which represent your Entitlement will form part of the Shortfall to be issued as Additional Shares or taken up by the Lead Manager and Underwriter, in accordance with the Underwriting Agreement detailed in Section 7. You will receive no payment for your lapsed Rights. You cannot sell or transfer your lapsed Rights to another person. Your holding of existing Shares will, however, be diluted because the issue of New Shares will increase the total number of Shares on issue.

Payments by BPAY

If an Eligible Shareholder elects to make payment using BPAY, they must contact their bank, credit union, or building society to make payment of the Application Monies from their cheque or savings account. The Eligible Shareholder must refer to their individual bank, credit union, or building society's terms of use regarding processing time of BPAY. Refer to the Entitlement and Acceptance Form for the Biller Code and Customer Reference Number. Eligible Shareholders who have multiple holdings will have multiple

Customer Reference Numbers. In the event payments are made via BPAY, the Shareholder does not need to complete or return the Entitlement and Acceptance Form.

Entitlement and Acceptance Form is binding

Receipt of payment of Application Monies whether by BPAY or cheque and a completed and lodged Entitlement and Acceptance Form constitutes a binding offer to acquire New Shares on the terms and conditions set out in this Offer Summary and an acknowledgement by you that you have received and read this Offer Summary; you have acted in accordance with the terms of the Offer detailed in this Offer Summary and that you agree to all of the terms and conditions as detailed in this Offer Summary. The Entitlement and Acceptance Form once lodged cannot be withdrawn. The Entitlement and Acceptance Form does not need to be signed to be binding. If the Entitlement and Acceptance Form is not completed correctly, the Company in its absolute discretion can reject it or treat it as valid. The Company's decision, in consultation with the Lead Manager and Underwriter, as to whether to accept or reject an Entitlement and Acceptance Form or how to interpret an incorrectly completed Entitlement and Acceptance Form is final.

5. Company Overview and Effects of the Offer

Overview

ImpediMed is an Australian based medical device company focused on improving the lives of cancer survivors. Secondary lymphedema of a limb is a potential sequelae following treatment for breast or pelvic cancers. Recent literature shows that with early detection, the progression of the disorder to later irreversible stages can be prevented. Currently, treatment options are commonly practiced only after lymphedema becomes clinically evident, and often after irreversible changes have begun. ImpediMed's technology aids clinicians in the ability to clinically assess lymphedema while it is still sub-clinical, enabling prospective management of the condition.

In October 2008, the Company's L-Dex™ U400 was the first device to receive US Food and Drug Administration (FDA) clearance for aiding in the clinical assessment of unilateral lymphedema of the arm of female breast cancer survivors. ImpediMed is marketing the device through a small sales force which is managed from the Company's US headquarters in San Diego. ImpediMed launched the L-Dex™ U400 into the US market in November 2008. As at the date of the offer, the Company had entered around 50 L-Dex™ agreements with breast surgeons and oncologists and is seeing positive forward demand.

Revenue is a function of the number of devices in use, and the level of testing for each device. For the L-Dex™ U400, revenue is received from sales of consumables relating to the testing procedure. The Company expects a build phase of several years for each device. Breast cancer patients will begin a lymphedema assessment and testing schedule, in conjunction with follow up consultations with the clinician after treatment. In the following periods, new patients commence assessment, while the previous patients continue to progress in their schedule.

The frequency and length of testing will depend on the clinical assessment protocol adopted. Clinical recommendations for lymphedema monitoring and assessment following treatment for breast cancer are yet to be determined. The establishment of a lymphedema patient registry, sponsored by the American Society of Breast Surgeons (ASBS), is being considered. If the registry is established, details on lymphedema assessment and treatment of registered patients will be recorded, and the data will be used in considering best clinical practice for the management and prevention of the condition. As part of the registry, 200 surgeons will be targeted to adopt the L-Dex™ U400 device.

Presently tests carried out using the L-Dex™ U400 test are being reimbursed under a miscellaneous code and the company is seeing through its placements, regional reimbursement through private insurers only at this point. The regional coverage includes some of the larger private US health insurers. Miscellaneous codes are not ideal and coverage around a miscellaneous code can be lost as quickly as it can be gained. Therefore the Company intends to submit to the American Medical Association for a Category One reimbursement code. The benefits of a Category One code include eligibility for coverage by all US health insurers. The code the company will apply for would be specific to ImpediMed's Bioimpedance Spectroscopy (BIS) technology, assisting in positioning and protecting the technology should competition emerge. One

key prerequisite for granting the Category One code is widespread acceptance of the device in pre-emptive care. This is a subjective criteria, however, based on the current rate of device adoption, along with initiatives such as the patient registry, the Company has set a target filing date for November 2009.

ImpediMed's primary focus is on the clinical adoption of the L-Dex™ U400 device with breast surgeons and associated oncologists. However, the technology has broader application, including for patients at risk of developing lymphedema resulting from treatment for pelvic cancers. Prototype development is now complete for the L-Dex™ UB500 device, designed for clinically assessing unilateral and bilateral lymphedema of the arms and legs. Discussions are progressing in relation to an independent funding of the clinical aspects of the trial, with ImpediMed providing associated devices and consumables. ImpediMed's target date for launch of the L-Dex™ UB500 is early 2010 for unilateral claims.

Recent Milestones Achieved

The past 18 months have seen the successful achievement of several milestones for ImpediMed.

Milestone	Date Achieved
Lodgement FDA submission for L-Dex™ U400	April 2008
Bioimpedance measurement acknowledged in Irish Lymphedema guidelines	May 2008
AUD 4.2m placement to support US market entry	July 2008
FDA clearance received for L-Dex™ U400	October 2008
Launched L-Dex™ U400 in United States	November 2008
Lymphedema CareLine established by Patient Advocate Foundation	December 2008
AUD 2.0m placement to support US market expansion	January 2009
L-Dex™ UB500 device for assessment of bilateral lymphedema completed prototype development	January 2009

Upcoming Milestones

ImpediMed's target significant milestones over the next 18 months are reflected in the following table:

Upcoming Milestones

ImpediMed's target is to achieve a number of significant milestones over the next 18 months as reflected in the following table:

Milestone	Expected Target Timing ¹
Formal offer for American Society of Breast Surgery registry	3 rd /4 th quarter 2009
Expansion of sales team and managed care team	3 rd /4 th quarter 2009
United Kingdom key hospital announcement	4 th qtr 2009 / 1 st qtr 2010
Category One reimbursement code submission	4 th qtr 2009 / 1 st qtr 2010
Clinical trial for bilateral lymphedema	1 st /2 nd quarter 2010
FDA filing of unilateral leg assessment	2 nd /3 rd quarter 2010
Category One code acceptance or Category Three classification	2 nd /3 rd quarter 2010
FDA filing of bilateral leg assessment	4 th qtr 2010 / 1 st qtr 2011

¹Quarter refers to the respective calendar year.

Use of Proceeds

The critical focus at this point in the Company's development, is supporting broad adoption of the L-Dex™ U400 device by breast surgeons and oncologists in the US. Funds raised in this capital raising will be used to:

- expanding the US sales, technical support and managed care team;
- funding of establishing a potential lymphedema patient registry in association with the American Society of Breast Surgeons;
- continuing market development including maintaining & building reimbursement activities;
- expanding regulatory and quality resources; and
- funding additional working capital as required

ImpediMed intends to make progress completing clinical and regulatory steps for bringing the L-Dex™ UB500 to the market. ImpediMed has proceeded in discussions with a US government organisation in relation to funding a clinical trial using the device. Part of the funds raised in this capital raising will be used to pay for ImpediMed's contribution of devices and consumables relating to the trial.

As at 31 March 2009, ImpediMed had cash reserves of approximately \$4.0 million. Together with the net proceeds of the Placement Shares and the Offer of approximately \$11.3 million, the Company believes it has sufficient cash reserves to fund the Company's operations for the next 12 months. This assumes achievement of milestones as set out above. At this point, the Company expects to have made significant progress on achieving adoption of the L-Dex™ U400 by US breast surgeons and oncologists. At this time, the Company will need to raise further funds.

Unaudited Pro-Forma Balance Sheet

Presented below is a pro forma balance sheet of ImpediMed upon completion of the Offer. It is based on the Company's balance sheet as at 31 December 2008 contained in ImpediMed's statutory financial report for the half year ended 31 December 2008, as lodged with the ASX on 25 February 2009 and which has been independently reviewed by the Company's auditor, Ernst & Young.

The Company's statutory financial report has been prepared in accordance with Corporations Act, the Corporations Regulations 2001, Accounting Standards and other mandatory financial reporting requirements in Australia.

The pro forma balance sheet reflects the impact of the Offer and the issue of the Placement Shares and all transaction costs associated with them as if they had all occurred on 31 December 2008, and:

- includes gross proceeds of the Offer and the Placement from which the current estimate of total transaction costs of \$670,000 is deducted to derive an amount for net proceeds raised;
- includes net proceeds expected from the issue of the Placement Shares;
- excludes the issue of 2.9 million Shares on 30 January 2009 at an issue price of \$0.70 per Share; and
- allows for the issue of up to approximately 10.89 million New Shares under the Offer at an issue price of \$0.64 per Share.

A\$	as at 31 Dec 2008 (\$'000)	Offer (\$'000)	Pro Forma Position (\$'000)
CURRENT ASSETS			
Cash and cash equivalents	4,584,886	11,299,138	15,884,024
Other current assets	2,806,274	-	2,806,274
Prepayments	294,243	-	294,243
TOTAL CURRENT ASSETS	7,685,403	11,299,138	18,984,541
NON-CURRENT ASSETS			
Property, plant and equipment	725,165	-	725,165
Goodwill and intangible assets	4,175,688	-	4,175,688
Other financial assets	32,154	-	32,154
TOTAL NON-CURRENT ASSETS	4,933,007	-	4,933,007
TOTAL ASSETS	12,618,410	11,299,138	23,917,548
CURRENT LIABILITIES			
Trade and other payables	1,229,825	-	1,229,825

Interest bearing loans	18,181	-	18,181
Provisions	903,059	-	903,059
TOTAL CURRENT LIABILITIES	2,151,065	-	2,151,065
NON-CURRENT LIABILITIES			
Provisions	466,736	-	466,736
TOTAL NON-CURRENT LIABILITIES	466,736	-	466,736
TOTAL LIABILITIES	2,617,801	-	2,617,801
NET ASSETS	10,000,609	11,299,138	21,299,747
EQUITY			
Issued capital	54,949,342	11,299,138	66,248,480
Reserves	2,682,213	-	2,682,213
Accumulated losses	(47,630,946)	-	(47,630,946)
TOTAL EQUITY	10,000,609	11,299,138	21,299,747

Share Capital

The effect of the issue of New Shares under the Offer on the Company's share capital is set out below:

	the Offer
Current Shares on Issue ¹	90,191,001
New Placement Shares to be issued	7,812,500
Shares on issue after the Placement Shares are issued	98,003,501
Estimated number of New Shares issued under the Offer ²	10,889,278
Estimated total Shares on issue following the Offer ²	108,892,779
Existing Options on issue at the date of this Offer Summary ³	18,417,673

¹ Includes 7,655,875 unquoted shares subject to transfer restrictions

² Assumes that no Options are exercised prior to the Record Date

³ 12.5 million Options are quoted and approximately 6 million are not quoted. Option terms do not provide for participation in pro rata issues unless Options are exercised. As at the date of this Offer Summary a letter has been circulated to all Option holders providing notice of the Offer

Directors' intentions

The Directors reserve the right to take up their Entitlements to New Shares.

6. Risk Factors

Introduction

Activities of ImpediMed, as in any business, are subject to risks which may impact on its future performance. The future performance of ImpediMed and the future investment performance of the New Shares may be influenced by a range of factors. Many are outside the control of the Board and the Company. Prior to making any decision to accept the Offer, investors should carefully consider the following risk factors.

The risks listed should not be taken as exhaustive of the risks faced by ImpediMed. Factors other than those listed may in the future materially affect the financial performance of ImpediMed and the price or value of the New Shares. Investors should read this Offer Summary in its entirety and consult their professional advisers before deciding whether to accept the Offer.

General risks

The New Shares are speculative because of the nature of the business of the Company. The Company has interests in the medical devices industry which is highly speculative and no assurances can be made that the Company's initiatives will be successful.

General factors that may affect the market price of New Shares include:

- economic conditions in Australia and globally;
- investor sentiment and local and international share markets;
- changes in interest rates and the rate of inflation;
- changes to government regulation, policy or legislation;
- seasonal reductions in business;
- political instability or war; and
- other economic and political risks.

Investors should recognise that the price of the New Shares may fall as well as rise. It is possible that the market price of New Shares may not rise above, or remain above the Issue Price and that it may fall below the Issue Price.

Risks specific to an investment in ImpediMed

In addition to the above, there are a number of specific risks concerning an early-stage medical device company such as ImpediMed of which potential investors should be aware. The following is not an exhaustive summary, but points to some of the risks that investors should consider. Any one or a combination of such risks could affect ImpediMed adversely and thus the value of any investment in ImpediMed.

a) Uncertainty of adoption rates of ImpediMed's products; particularly L-DexTM U400

The level of demand for ImpediMed's devices depends to a large extent on their market acceptance by physicians, patients, and health care providers, which is

uncertain. Factors influencing the market acceptance of ImpediMed's products include:

- the level and coverage of reimbursement for ImpediMed's products, in particular;
 - maintaining current miscellaneous coding and expanding coding with both private payors and CMS in the US market; and
 - achieving its Category One coding for both arms and legs. (See paragraph (c) for further information);
- acceptance among health care providers of the advantages of the pre-emptive model in the monitoring and detection of secondary lymphedema;
- the level of awareness among health care providers of ImpediMed's products and their acceptance of the apparent advantages;
- the extent to which health care providers are trained to use ImpediMed's products; and
- the availability of comparable competing products.

If the Company is unable to achieve sufficient market acceptance for its products this will have a material adverse effect on the Company's prospects.

b) Government regulation

ImpediMed is required to comply with regulations regarding product approval and performance imposed by governments and regulatory bodies in each market in which it operates including Australia, New Zealand, the United States and Europe. There is a risk that:

- it may take considerably longer than expected to obtain necessary regulatory approvals and clearances for new products or new market opportunities;
- regulatory authorities may only grant some of the approvals or clearances sought by the Company or make the grant of an approval subject to further additional requirements or conditions;
- those products in respect of which a regulatory approval or clearance has already been obtained may subsequently be found not to comply with existing regulations; and
- ImpediMed may not be able to comply (or may decide that it is not economically feasible to comply) with any new regulations or requirements that may be introduced.

In such circumstances ImpediMed may be unable to sell its products in a particular market or markets.

The Democratic government in the US has proposed changes to the government policy for regulation of coding of services which may affect ImpediMed's ability to sell its products in the US market. See paragraph (c) for further information.

c) Health care funding and reimbursement

Sales of the Company's products will, to a large degree, be dependent on levels and coverage of reimbursement provided by governments (CMS – Medicare and Medicaid) and private health insurers in the United States to the users of the

Company's products. The Company's business and prospects may be adversely affected if one or more aspects of the Company's reimbursement strategy (i.e., coding, payment and coverage) is unsuccessful or less successful than expected.

The Democratic government in the US has indicated that it is considering making changes to its regulation of coding to increase the focus on a pre-emptive care model. This is consistent with ImpediMed's strategy for its products. However if there is any delay in ImpediMed achieving its Category One coding, the Company may be affected by a change to the US government's underlying coding policy.

d) Loss or independent discovery of trade secrets

ImpediMed believes that it has a competitive advantage that depends, in part, on certain information and know-how that is a trade secret. There is a risk that the confidentiality of this information and know-how could be lost as a result of:

- unauthorised or inadvertent disclosure;
- reverse engineering of ImpediMed's products by competitors; or
- competitors independently developing technologies that are substantially equivalent to those owned or to be acquired or developed by ImpediMed.

e) Issue of patents to competitors

Patents may exist or be issued in the future to other companies covering elements of ImpediMed's technology. The existence or issuance of such patents may require ImpediMed to make changes in the design of its products that may have a material adverse effect on the performance and success of the Company's products.

f) Competition

The actions of competitors or the entry of new competitors may adversely impact the Company's financial performance or operating margins where the Company is unable to effectively respond in a timely manner.

g) Challenge of validity to ImpediMed's patent portfolio or claim of patent infringement

ImpediMed has endeavoured to protect its competitive position through patents and patent applications where possible. However the granting of a patent does not guarantee that the patent is valid or that the rights of others have not been infringed.

There is therefore a risk that competitors may:

- challenge the validity of ImpediMed's patents

- claim that ImpediMed is infringing their patents.

The complex nature of the Company's technology platform increases the risk of such actions. This may have a material adverse impact on the performance of the Company.

h) Technological obsolescence

ImpediMed operates in a market characterised by rapid and significant technological change. There is a risk that the Company's products will be rendered less competitive or obsolete by the development of new devices using new or existing technologies, although the Company is not presently aware of any such developments.

i) Research and development activities

Medical research and development is capital intensive, involves long lead times and there is no guarantee of a successful or timely outcome.

j) Further capital needs

It will be necessary for the Company to raise additional funds in order to further develop the markets for its products or pursue additional product research and development. There is no assurance that such funding will be available to the Company in the future or that it will be able to be obtained on acceptable terms.

k) Legal liability

The research and development, testing, manufacture and sale and distribution of medical devices exposes ImpediMed to the risk of product liability and other legal claims. This risk is mitigated by insurance although there remains a risk that:

- existing or future insurance coverage may not be adequate; and/or
- that the Company will not be able to obtain appropriate insurance cover in the future, or at an acceptable cost.

l) Management of growth

ImpediMed's anticipated growth may place a significant strain on its managerial, operational and financial resources and will require the Company to further develop its operational and financial systems. If the Company is unable to manage growth effectively this could have a material adverse effect on the Company's business, results of operations and financial condition.

m) Sales and distribution

ImpediMed is currently marketing its L-Dex™ UB400 in the US through its direct sales force. The Company intends to expand its sales force to accelerate roll-out of the L-Dex™ device in the US. There is risk in recruiting appropriately qualified personnel to these positions. In addition, managed care, regulatory and quality teams support the sales force. Other suitably qualified people will need to be recruited into these positions.

ImpediMed has entered into distribution agreements with certain distributors, some of which are exclusive. Sales will depend upon the success of the distributors' marketing efforts. There is no guarantee that distribution partners will meet sales forecasts or that additional distribution partners will be secured.

n) Supply and manufacturing

ImpediMed's products are manufactured by a specialist manufacturer under contract. This exposes the Company to a number of risks including:

- ImpediMed does not have direct control over the manufacturing process and product quality; and
- if ImpediMed's manufacturing partner breaches the terms of its contract with ImpediMed, or becomes unable to supply ImpediMed with contracted quantities, ImpediMed may be unable to meet device orders. In such circumstances it could take some months for ImpediMed to identify and engage an alternative manufacturer. Such disruptions could have a significant adverse impact on the Company's prospects.

The Company currently manufactures all of its products in Australia. There is a risk that an import detention by US regulators could prevent the Company from supplying the US market for up to nine months.

o) Dependence on key personnel

The operations and future success of the Company will depend upon the efforts and abilities of certain key executives. The loss of the services of any of these individuals could adversely affect the Company.

p) International markets

There are certain risks inherent in the Company's existing and proposed international operations, such as:

- unexpected changes in regulatory requirements;
- fluctuations in currency exchange rates; and
- technology export and import restrictions or prohibitions;

Such events could adversely impact on the success of the Company's international operations.

A significant proportion of the Company's expenditure is in USD. Any material change to the AUD/USD exchange rate may adversely impact on the Company's cash flow. In order to limit the Company's exposure, the Company holds a level of cash in USD and changes in the AUD/USD exchange rate may also impact on the Company's reported profitability.

q) Performance agreements

The Company is reliant on third party organisations for research, reimbursement, distribution, manufacturing, clinical trials, electronic design and development and manufacturing. Any default in the performance of obligations by counterparties to these arrangements may adversely affect the profitability of the Company, the value of its assets or the market price of Shares.

7. Additional Information

Effect on control

The effect of the issue of New Shares on control of the Company is discussed in the cleansing notice lodged with the ASX under section 708AA of the Corporations Act on the same day as this Offer Summary.

Litigation

So far as the Company is aware, there are no legal or arbitration proceedings, active or threatened against, or being brought by, the Company which may have a material effect on the Company's financial position.

Underwriting Agreement between the Company and Wilson HTM

Wilson HTM has agreed to underwrite the offer of the Placement Shares and the Offer on the terms of the Underwriting Agreement.

Obligation to underwrite

Pursuant to the Underwriting Agreement, the Lead Manager and Underwriter will subscribe for all New Shares that are not taken up under the Offer, including Shares which will not be offered to Ineligible Shareholders at the same ratio as those offered to Eligible Shareholders (together, the Underwritten Shares).

The Lead Manager and Underwriter may at any time appoint sub-underwriters on terms consistent with the Underwriting Agreement.

Conditions

The Lead Manager and Underwriter's obligations to lodge or cause to be lodged subscriptions for the Shortfall Shares are conditional on the Company providing the Underwriter with certain notices and certificates and the ASX granting permission for official quotation of the Shortfall Shares.

Obligations, representations, and warranties

In addition to customary representations and warranties made to the Lead Manager and Underwriter, the Company represents and warrants to Wilson HTM that:

- the Offer, this Offer Summary and the Entitlement and Acceptance Form will comply with the Corporations Act, the Listing Rules, binding requirements or policies or guidelines of ASIC or ASX and all other applicable law;

- the Company has reasonable grounds to believe that this Offer Summary will not contain any material statement that is misleading or deceptive and the issue and distribution of this Offer Summary and the Entitlement and Acceptance Form by the Company or any of its officers, employees, agents, advisers or representatives, will not constitute conduct by any person that is misleading or deceptive in a material respect;
- unless required by the Corporations Act or the Listing Rules, in which case to the extent practicable the Company will seek to consult with the Lead Manager and Underwriter about the form and content of the release, the Company will not release any public information that will or may be prejudicial to the prospects of the Offer;
- the Company has reasonable grounds to believe that it is not in breach of any provision of the Corporations Act, its constitution or the Listing Rules or any other applicable law or binding requirement or policy or guideline of ASIC or ASX, to an extent that is material to the Company or the outcome of the Offer.

Termination

The Lead Manager and Underwriter may terminate the Underwriting Agreement in a number of circumstances, including but not limited to:

- approval for official quotation of the Placement Shares or the New Shares on ASX is refused or is not granted, or if such approval is granted, the approval is granted subject to a condition that is not a customary condition or is subsequently withdrawn, qualified or withheld;
- if the S&P/ASX 200 Index is, at any time on two consecutive trading days at any time prior to allotment of the New Shares more than 10% below the level of that index at the close of normal trading on the trading day before the date of the Underwriting Agreement;
- any material adverse change occurs in the assets, liabilities, financial position or operations, profits, losses or prospects of the Company and its related companies (insofar as the position in relation to an entity in the group affects the overall position of the Company);
- the Company withdraws or terminates the Offer;
- an event specified in section 652C(1) or section 652C(2) of the Corporations Act, but replacing “target” with “Company” occurs;
- a statement contained in this Offer Summary and the Entitlement and Acceptance Form is misleading or deceptive or information is omitted, which renders them misleading or deceptive;
- any information supplied by or on behalf of the Company to the Lead Manager and Underwriter as part of the due diligence process is misleading or deceptive;
- any aspect of the Offer does not comply with the Corporations Act, the Listing Rules or any other applicable law or regulation;
- the Company issues a public statement concerning the Offer that has not been approved by the Lead Manager and Underwriter; or
- the Company breaches any of its obligations under the Underwriting Agreement.

Underwriting and management fee

The Company must pay the Lead Manager and Underwriter an underwriting fee of 3.5% of the total Issue Price for the New Shares and a management fee of 1.5% of the total Issue Price for the New Shares. Fees are payable at the same rates in relation to the underwriting of the Placement Shares.

Withdrawal of Rights Issue

The Directors reserve their right to withdraw all or part of the Offer at any time prior to the issue of New Shares, in which case ImpediMed will refund Application Monies without payment of interest.

Reliance on Offer Summary

This Offer Summary has been prepared pursuant to the requirements of section 708AA of the Corporations Act. In general terms, section 708AA relates to rights issues by certain companies that do not require the provision of a prospectus or other disclosure document. Accordingly, the level of disclosure in this Offer Summary is considerably less than the level of disclosure required in a prospectus. In deciding whether or not to accept the Offer, you should rely on your own knowledge of the Company, and refer to disclosures made by the Company to the ASX and ASIC (which are available for inspection on the ASX website at www.asx.com.au and on the Company's website at www.impedimed.com and seek the advice of your professional adviser. The Company is a disclosing entity for the purposes of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, as a listed company, the Company is subject to the disclosing obligations under the Listing Rules and the Corporations Act.

If you have any questions about your Entitlement to New Shares, please contact either:

- the Company's Share Registry, Link Market Services Limited on 1300 554 474; or
- your stockbroker or professional adviser.

Governing Law

This Offer Summary, the Offer and the contracts formed on acceptance of applications are governed by the laws of Queensland, Australia. Each applicant for New Shares submits to the exclusive jurisdiction of the courts of Queensland, Australia.

8. Glossary

A\$ or Dollars	Dollars in Australian currency (unless otherwise stated).
ABN	Australian Business Number.
AEST	Australian Eastern Standard Time.
Additional Shares	Shares applied for by Eligible Shareholders in excess of their Entitlement.
Application Monies	The aggregate amount of money payable for Shares applied for calculated by multiplying the Issue Price by the number of New Shares applied for.
ASIC	The Australian Securities and Investments Commission.
ASX	The Australian Securities Exchange.
ASX Limited	ASX Limited ACN 008 624 691.
Board	The board of Directors.
CHESS	Clearing House Electronic Sub-register System of ASX Settlement and Transfer Corporation Pty Ltd ACN 008 504 532.
Closing Date	5:00 pm AEST on Wednesday, 24 June 2009 or such other date as may be determined by the Directors.
Company or ImpediMed	ImpediMed Limited ABN 65 089 705 144.
Corporations Act	The Corporations Act 2001 (Cth).
Directors	The directors of the Company.
Eligible Shareholder	A registered holder of Shares who holds the Shares at 7:00 pm AEST on the Record Date with a registered address in Australia or New Zealand.
Entitlement or Entitlements	Renounceable rights to subscribe for New Shares on the basis of 1 New Share for every 9 Shares held on the Record Date.
Entitlement and Acceptance Form	The form accompanying this Offer Summary which sets out the entitlements of Eligible Shareholders under the Offer.
Ineligible Shareholder	A registered holder of Shares at 7.00 pm AEST on the Record Date, other than an Eligible Shareholder.
Issue Price	A\$0.64 per New Share.
Lead Manager and Underwriter or Wilson HTM	Wilson HTM Corporate Finance Limited ACN 057 547 323.
Listing Rules	The official listing rules of ASX Limited, as amended from time to time.
New Share	A new Share to be issued pursuant to the Offer.
Offer	The offer of New Shares under this Offer Summary.
Offer Summary	This Offer Summary dated 28 May 2009 and includes any amendment or replacement summary document.

Option	An option to subscribe for a Share.
Placement Shares	7,812,500 Shares which as at the date of this Offer Summary have been offered by the Company to certain investors and in respect of which subscriptions have been received in a private placement.
Record Date	11 June 2009 or such other date as may be determined by the Directors.
Regulation S	Regulation S promulgated under the US Securities Act.
Rights	A renounceable right to apply for a New Share under the Offer.
SEC	The United States Securities and Exchange Commission.
Share	A fully paid ordinary share in the capital of the Company.
Shareholder	A holder of Shares.
Share Registry	Link Market Services Limited ABN 54 083 214 537.
Shortfall	New Shares available under the Offer which are not applied for by 5pm (AEST) on the Closing Date.
Underwriting Agreement	The underwriting agreement dated 28 May 2009 between the Company and the Lead Manager and Underwriter with respect to the Offer.
US Person	The meaning given in Regulation S under the US Securities Act.
US Securities Act	The United States Securities Act of 1933, as amended.

9. Corporate Directory

Board of Directors

Greg Brown *Executive Director and Chief Executive Officer*

Mel Bridges *Chairman*

Martin Kriewaldt *Non-executive Director*

Cherrell Hirst *Non-executive Director*

Jim Hazel *Non-executive Director*

Michael Panaccio *Non-executive Director*

Auditors

Ernst & Young

1 Eagle St

Brisbane, QLD 4000

Australia

Phone: +61 (07) 3011 3333

Registered Office in Australia

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50 Parker Court

Pinkenba Qld 4008

Ph +61 (7) 3860 3700

Website: www.impedimed.com

ASX code:IPD

Legal Adviser

Corrs Chambers Westgarth

Waterfront Place

1 Eagle Street

Brisbane Qld 4000

Phone: +61 (07) 3228 9333

Share Registry

Link Market Services Limited

Level 12, 300 Queen Street

Brisbane Qld 4000

Ph: 1300 554 474

Email:

registrars@linkmarketservices.com.au.

Lead Manager and Underwriter

Wilson HTM Corporate Finance Ltd

Level 38 Riparian Plaza

71 Eagle Street

Brisbane QLD 4000

Australia

Phone: +61 (07) 3212 1333