



ABN 35 088 221 078

PROSPECTUS

A non-renounceable pro rata rights issue of 1 New Share for every 2 Existing Shares at an issue price of 2 cents per New Share to raise approximately \$859,100.

Last date for acceptance and payment: **5.00pm WDST on 27 March 2009.**

This Prospectus is important and requires your immediate attention.

If after reading this Prospectus you have any questions about the New Shares being offered pursuant to this Prospectus or any other matter, then you should consult your professional adviser.

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ENTITLEMENT AND ACCEPTANCE FORM

IMPORTANT NOTICE

This Prospectus is dated 16 Feb 2009. A copy of this Prospectus was lodged with ASIC on 16 Feb 2009. ASIC and ASX and their respective officers take no responsibility for the contents of this Prospectus. The expiry date of this Prospectus is the date which is 13 months after the date of this Prospectus. No New Shares will be allotted on the basis of this Prospectus later than the expiry date. Application will be made within 7 days from the date of this Prospectus for quotation of the New Shares on ASX.

The Prospectus does not constitute an offer in any place where, or to any person to whom, it would not be lawful to make such an offer. The offer of New Shares under this Prospectus is made in New Zealand subject to, and in accordance with the conditions of, the New Zealand *Securities Act (Overseas Companies) Exemption Notice 2002* (SR2002/299 Amendment SR2003/204). The distribution of this Prospectus in jurisdictions outside the Commonwealth of Australia or New Zealand may be restricted by law and persons who come into possession of it should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities law.

This Prospectus provides information for Eligible Shareholders to decide if they wish to take up their Entitlement and should be read in its entirety. If, after reading this Prospectus, you have any questions about the Issue please contact your stockbroker, accountant or other professional adviser. The Shares offered pursuant to this Prospectus are speculative. Please refer to Section 7 for a detailed summary of the applicable investment risks.

If you are entitled as a Shareholder to apply for New Shares pursuant to the Offer, your personalised Entitlement and Acceptance Form accompanying this Prospectus shows the number of New Shares which you are entitled to apply. It is important that Shareholders intending to accept their Entitlement (or part thereof) take action as described in section 8.

Applications of New Shares under the Offer may only be made by forwarding a complete personalized Entitlement and Acceptance Form to the Registry, in accordance with the directions on your Entitlement and Acceptance Form. As the Offer is non-renounceable, Shareholders do not have the right to sell their Entitlements. Shareholders have the opportunity to subscribe for all, part or none of their Entitlement to New Shares under the Offer. Shareholders may also apply for additional Top Up shares in excess of their Entitlement under the Offer. The allocation of Top Up Shares will be made from Shortfall Shares.

This Prospectus is issued pursuant to section 713 of the Corporations Act. Section 713 allows the issue of a more concise prospectus in relation to an offer of continuously quoted securities. This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all information that would be included in a prospectus for an initial public offering. The Company will provide a copy of the Annual Report and Company Announcements free of charge to anyone who asks for it during the term of this Prospectus.

The Offer is not underwritten.

Defined terms and abbreviations used in this Prospectus are explained in the Definitions section. All financial amounts shown in this Prospectus are expressed in Australian dollars unless otherwise stated.

THIS DOCUMENT IS IMPORTANT AND SHOULD BE READ IN ITS ENTIRETY.
AN INVESTMENT IN bioMD LIMITED SHOULD BE CONSIDERED SPECULATIVE.

1. CORPORATE DIRECTORY

Company

bioMD Limited
ABN 35 088 221 078

www.biomd.com.au

Registered Office

Level 11, 225 St Georges Terrace
Perth, Western Australia 6000
Telephone: (61 8) 9262 6777
Facsimile: (61 8) 9322 3433

Directors

Robert N. Scott, Non-Executive Chairman
Michael C. Bennett, Managing Director
Robert E. T. Towner, Executive Director

Company Secretary

Caroline L. Bentley

Share Registry

Computershare Investor Services
Pty Limited
Level 2, 45 St Georges Terrace
Perth, Western Australia 6000
Telephone:
(within Australia) 1300 557 010
(outside Australia) (61 3) 9415 4000
Facsimile: (61 8) 9323 2033

Lawyers

Price Sierakowski Corporate
Level 24, 44 St Georges Terrace
Perth, Western Australia 6000

Auditors *

BDO Kendalls Audit & Assurance (WA) Pty Ltd
128 Hay Street
Subiaco, Western Australia 6008

* (named for information purposes only)

2. CHAIRMAN'S LETTER

Dear Shareholder

On behalf of the Board of Directors of bioMD Limited (**bioMD** or Company) I am pleased to offer all Shareholders the opportunity to participate in a one for two non-renounceable rights issue of New Shares to raise approximately \$859,000. The price payable on application for each Share is 2 cents per New Share.

All Shareholders registered as at 5.00pm (WDST) on 25 February 2009 will be entitled to participate. Application for official quotation by the ASX will be made and trading is expected to commence on or about 6 April 2009.

2008 was a challenging year for us as we completed many activities to make the ADAPT Tissue Engineering Process (TEP) commercial-ready for launch to the global market.

The medical device market has historically "held its ground" during economic disruption and most segments will continue to grow. One segment of interest to us is implantable biologic soft-tissue products where market research indicates this sector will have significant growth for the next five years.

During 2008, our in vitro pre-clinical research has indicated that the ADAPT TEP process can produce an optimum scaffold or matrix that can promote the infiltration of stem cells. We believe this is a major breakthrough in "Regenerative Medicine", a new and exciting area of medical research.

Medical therapies based on cell-based technologies will be the focus of many governments and corporations for the next 10 years and we plan to be part of that environment. Centres, such as the Californian Institute of Regenerative Medicine, have recently received significant funding and support. We are already in communication with potential new partners in this field and in 2009, we plan a significant increase in our global marketing activities combined with broadening of our human clinical studies.

Major Undertakings for 2009/10

1. Implement a plan focusing on the ADAPT TEP being a significant platform technology that creates a scaffold/matrix for tissue regeneration.
2. Take a leadership position within the global stem cell research and product development community via awareness programs focused on the potential of ADAPT TEP to be an integrated part of their commercial plans.
3. Continue to develop and seek out new partnership opportunities in the mature fields of abdominal, general cardiac surgery and tissue heart valves segments.
4. Complete the cardiothoracic human study and commence a pelvic floor human study in order to prove the value proposition of an ADAPT mesh over other platforms (biologic and synthetic).

This Prospectus contains detailed information about bioMD's operations, financial position and future plans. It also outlines potential risks associated with this investment. We encourage you to read this document carefully before making your investment decision.

The Board is optimistic about the future outlook for the biotechnology and life sciences sector. We have developed early stage relationships with a number of large, international medical device companies and are excited about future negotiations.

We recommend all Shareholders take up their Entitlement.

Yours faithfully



Robert N. Scott
Non-Executive Chairman

3. TIMETABLE AND KEY INDICATIVE DATES

Announcement of Offer	16 February 2009
Ex Date *	19 February 2009
Record Date	25 February 2009
Offer opens	26 February 2009
Prospectus dispatched on or before	3 March 2009
Closing Date for payment in full for New Shares (5.00pm WDST)	27 March 2009
Issue of New Shares	6 April 2009

* Means the date from which Shares commence trading without entitlement to participate in the Offer

The above dates are indicative only. bioMD Limited reserves the right, subject to the Corporations Act 2001 and the ASX Listing Rules, to vary the dates and times of the Issue, without prior notice, including closing the Issue before the scheduled Closing Date.

The Directors, in compliance with the Listing Rules, reserve the right to issue Top Up Shares and Shortfall Shares at their discretion.

4. DETAILS OF THE OFFER

The following is not intended to provide full details of the investment opportunity.

Shareholders should read this Prospectus in full to make informed investment decisions.

4.1 Risks

An investment in the Company is speculative and subject to a number of risks including general stock market risks and risks specific to the Company's operations such as the Company's ability to complete successful clinical trials and successfully commercialise its products. Please refer to Section 7 for a detailed summary of the risks factors affecting an investment in the Company.

4.2 Overview of the Offer

The following should be read subject to the more detailed information in this Prospectus. In particular, some of the key risk factors of an investment in bioMD are detailed in section 7.

- Opportunity to acquire New Shares in bioMD at 2 cents, a discount of 52% to the last traded price on 13 February 2009.
- Proceeds from the Offer will be used primarily to fund the current and proposed human clinical trials of ADAPT, continue to fund related R&D activities and assist in the funding of regulatory requirements for late-stage product development.
- No brokerage or stamp duty will be payable on the issue of New Shares.

Eligible Shareholders may apply for Top Up Shares of their Entitlement.

Effect on Capital structure:

Issue Price per New Share	\$0.02
Shares on Issue at the date of this Prospectus	85,909,969
New Shares offered under this Prospectus	42,954,985
Amount to be raised under the Offer	approx \$859,000
Total number of Shares after issue of New Shares	approx 128,864,954
Market capitalisation of Shares and New Shares at the Issue Price	approx \$2.6 million

The Directors in compliance with the Listing Rules, reserve the right to issue Shortfall Shares at their discretion.

The offer of New Shares under the Offer is restricted to Eligible Shareholders of the Company who are registered as Shareholders at the Record Date. The number of New Shares to which Shareholders are entitled is shown on the accompanying Entitlement and Acceptance Form.

Applications for New Shares under the Offer can only be made by completing the Entitlement and Acceptance Form in full, in accordance with the instructions on it, and sending it to Computershare Investor Services.

The offer is scheduled to close at 5pm WDST on 27 March 2009. Entitlement and Acceptance Forms must be received by that time by Computershare Registry, together with a cheque or bank draft in Australian currency drawn on an Australian branch of a financial institution for the amount of the Application or via BPAY.

4.3 Description of the Offer

The Company is offering approximately 42,954,985 New Shares to Eligible Shareholders of the Company who are registered Shareholders at the Record Date.

The New Shares are being offered on the basis of 1 New Share for every 2 Existing Shares held at the Record Date at an issue price of 2 cents per New Share. The offer of New Shares under this Prospectus is restricted to Eligible Shareholders of the Company who are registered as at the Record Date.

The number of New Shares to which you are entitled as an Eligible Shareholder is shown on the accompanying Entitlement and Acceptance Form.

By example, if an Eligible Shareholder owns 1,000 Existing Shares, the Eligible Shareholder will be entitled to apply for 500 New Shares under this Offer.

Fractional entitlements will be rounded up bioMD reserves the right to aggregate holdings where it believes holdings have been split in order to take advantage of this rounding. bioMD also reserves the right to aggregate holdings held by associated Shareholders for the purpose of calculating Entitlements.

Any New Shares which are not applied for by Eligible Shareholders by the Closing Date will become Shortfall Shares. In accordance with Listing Rule 7.2 Exception 3 (but subject to section 723 of the Corporations Act), the Directors reserve the right to issue Shortfall Shares at their discretion within 3 months of the Closing Date at a price of 2 cents per Shortfall Share, as set out in section 4.7.

Up to \$859,100 will be raised under the Offer (before Offer Costs).

Applications should be lodged at or posted to:

Computershare Investor Services Pty Ltd
Locked Bag 2508
Perth, Western Australia 6001

Telephone: 1300 557 010 (within Australia), +613 9415 4000 (outside Australia)

4.4 Closing Date

The prospectus, accompanied by the Entitlement and Acceptance Form, will be despatched by no later than 3 March 2009.

The Offer will close at 5pm WDST on 27 March 2009, subject to the right of Directors to extend the Closing Date.

As the offer is non-renounceable, Eligible Shareholders do not have the right to sell their Entitlements. Eligible Shareholders have the right to subscribe for all, part or none of their Entitlement to New Shares. In addition, Eligible Shareholders may apply for Top Up Shares under the Offer pursuant to section 4.5.

To the extent that any part or all of an Entitlement is not taken up, it will lapse on the Closing Date.

Eligible Shareholders should be aware that their Entitlement may have value. If you decide not to accept all or part of your Entitlement, your Entitlement will lapse. It is therefore important that you take action if you wish to accept your Entitlement in accordance with the instructions on the accompanying Entitlement and Acceptance Form. Action required by Eligible Shareholders is set out in section 8.

4.5 Application for Top Up Shares beyond your Entitlement

New Shares not taken up by Eligible Shareholders pursuant to their Entitlement will comprise the Top Up Shares. Eligible Shareholders may, in addition to their Entitlement, apply for any number of Top Up Shares, regardless of the size of their present holding.

By example if an Eligible Shareholder owns 3,000 Existing Shares, the Shareholder will be entitled to apply for 1,500 New Shares under the Offer and may also apply for Top Up Shares. While there is no limitation on any Shareholder applying for Top Up Shares, in the case of applications exceeding the total number of New Shares available, the Directors will exercise their discretion to permit smaller Eligible Shareholders to increase their holdings as a priority. It is possible that there will be few or no Top Up Shares available for issue. It is an express term that Eligible Shareholders applying for Top Up Shares are bound to accept a lesser number of Top Up Shares allotted to them than that applied for and Applicants shall be bound to accept a refund of Application Monies in respect to the number of Top Up Shares that may have been applied for, but not allotted.

No interest will be paid on any Application Monies refunded to Applicants in these circumstances.

4.6 What will happen if I accept my full Entitlement?

If you take up your full Entitlement, your shareholding in bioMD will not be diluted by the issue of New Shares under the Offer.

4.7 What will happen if I do not accept my full Entitlement?

If you do not take up your full Entitlement under the Offer, your shareholding in bioMD will be diluted, as will your corresponding rights to future earnings and net assets of bioMD.

As the Offer is non-renounceable, if you decide not to take up all of your Entitlement, it will lapse on the Closing Date to the extent that it is not taken up.

4.8 Placement of Shortfall Shares

As the Offer is non-renounceable, if you decide not to take up all of your Entitlement, it will lapse on the Closing Date to the extent that it is not taken up. If your Entitlements lapse, these Shares shall comprise the pool of Top Up Shares. If applications for the Top Up Shares do not utilise the available pool, the Company will place these Shortfall Shares.

The Directors reserve their right to place any Shortfall to their discretion within 3 months of the Closing Date, in accordance with ASX Listing Rule 7.2.

The Directors note that a number of the Company's major Shareholders have independently indicated that they will exercise their Entitlement and have also expressed an interest in participating in such a placement to the extent permissible under the Corporations Act and ASX Listing Rules. No party will acquire a relevant interest in voting Shares exceeding 20% as a result of the placement of any Top Up Shares or Shortfall Shares.

4.9 Brokerage and Stamp Duty

No brokerage or stamp duty is payable by Applicants in relation to the Offer. However, you may have to pay brokerage on any subsequent trading of your New Shares on ASX after they have been quoted on ASX.

4.10 Shareholders Outside Australia or New Zealand

The Company will only extend the Offer to Eligible Shareholders with registered addresses in Australia or New Zealand. The Company considers it would be unreasonable to extend the Offer to Shareholders with registered addresses in other jurisdictions having regard to the small number of such Shareholders, the small number and value of securities would be offered in such jurisdictions and the costs of complying with legal and regulatory requirements in those jurisdictions.

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer.

4.11 Ranking of New Shares

The New Shares will be fully paid and rank equally with Existing Shares. The rights attaching to the New Shares will be the same as the rights attaching to the Existing Shares issued in bioMD and are summarised in Section 11.1.

4.12 Allotment

bioMD will make application within 7 days from the date of this Prospectus for quotation of the New Shares on ASX.

It is expected that allotment of the New Shares under the Offer will take place no more than 15 Business Days after the close of the Offer.

If approval of ASX to the official quotation of the New Shares is not obtained within 3 months after the date of this Prospectus, all application Monies will be repaid, without interest, in accordance with the Corporations Act.

Application Monies will be held by the Company on trust for Applicants in a trust account until the New Shares are allotted. No interest will be paid on Application Monies.

4.13 CHESS

The Company will apply to have the New Shares issued under this Prospectus admitted to participate in CHESS in accordance with the Listing Rules and the ASTC Settlement Rules. The Company will operate an electric issuer-sponsored sub-register and an electronic CHESS sub-register. The sub-registers together will make up the principle register of New Shares.

4.14 Application Money on Trust

All Application Monies received before the New Shares are issued will be held by bioMD on trust in an account established solely for the purpose of depositing Application Monies received. Any interest that accrues in that account will be retained by bioMD. After the New Shares are issued to successful Applicants, the Application Monies held on trust will be payable to bioMD.

4.15 Market Price of bioMD Shares on ASX

The highest and lowest closing sale prices for Shares on ASX during the 3 months immediately preceding the date of this Prospectus, and the respective dates of those sales, were 7 cents per Share on 25 November 2008 and 4 cents per Share 12 January 2009. The closing price for Shares on ASX on 13 February 2009 was 4.2 cents per Share.

4.16 Financial Reports

A summary of the strategic focus, major activities and financial information relating to the Company is contained in the Annual Report and the Company Announcements.

Any person who wishes to obtain a copy of the Annual Report and the Company Announcements may request a copy from the Company. The Company will provide a copy of the Annual Report and Company Announcements free of charge to anyone who asks for it during the term of this Prospectus.

4.17 Summary Only

This summary is not intended to provide full details of the investment opportunity. Shareholders should read this Prospectus in full to make a fully informed investment decision.

4.18 Enquiries

If you require advice as to whether to accept your Entitlement, you should seek professional advice from your legal, investment or other adviser.

5. ADAPT® TISSUE ENGINEERING PROCESS (TEP) OVERVIEW

5.1 Ongoing Commercialisation Opportunities

The collection of clinical trial data is expected to be the last major milestone before the commencement of product development or licensing of the ADAPT technology by global medical device companies.

Preliminary discussions with three of the major global device companies in the hernia and pelvic floor area have all indicated a requirement to be kept up to date with the clinical data as it comes to hand from the current and proposed human clinical trials.

This level of interest by major players in the industry demonstrates the potential for ADAPT TEP to be utilised in their new product development. The ADAPT technology has now excelled in every R&D and pre-clinical study undertaken, and of particular interest is the early proof of concept in-vitro study on its ability to allow stem cell attachment and infiltration. Further studies will be carried out to gauge the ability of an ADAPT biologic mesh to provide a delivery vehicle for stem cells that are required to be delivered in concentrated form to a specific part of the human body, for example, to the ventricle muscle wall of an infarcted heart.

5.2 The Technology

5.2.1 ADAPT TEP

ADAPT TEP is a unique tissue processing technology providing a new commercial dimension in biomaterial tissue engineering. Initial research commenced almost 10 years ago and was originally focused on tissue heart valve applications.

There are multiple potential applications for this technology in the tissue repair and replacement segments of medicine such as tissue heart valves, hernia repairs and pelvic floor reconstructions, and both orthopaedic and cardiovascular surgery. Furthermore, a major recent research finding is that the ADAPT process technology can provide a biomaterial that will act as a delivery system for stem cells in the emerging area of regenerative medicine.

Recent refinements of ADAPT TEP have produced a biomaterial that has solved many of the issues related to poor performance experienced with existing tissue based biomaterials. Such issues include rejection, biocompatibility, functionality and durability and these have been overcome using the ADAPT process.

In general, the reason for using a tissue engineered biomaterial/collagen matrix or scaffold is to provide an optimal physiological environment for specific tissue regeneration. A site specific repair can then be effected where acceptable and functional tissue can be regenerated.

The normal healing process involves a cascade of tissue repair processes such as haemostasis, inflammation, proliferation and remodelling. An ADAPT matrix allows the damaged tissue to repair and remodel in its own time without premature degeneration of the supporting matrix. After implantation, the surrounding tissues acknowledge and accept the presence of the implanted extracellular matrix. This allows the development of functional neocapillaries (angiogenesis) to support the transportation of basic cell types into the implanted matrix, such as bone-marrow derived stem cells, nutrients and growth factors. Mesenchymal derived fibroblasts move into the matrix over time (repopulation) and establish a functional tissue regeneration zone. Site specific tissue remodelling takes place at a physiological pace through the transdifferentiation of certain cell types with ongoing support of the implanted matrix.

5.2.2 Pre-clinical Study Results

As a result of many documented pre-clinical animal studies using ADAPT TEP, our research has confirmed that the following key benefits can be obtained from an ADAPT treated biomaterial:

- No long term inflammatory responses like synthetic equivalents;
- No encapsulation like in synthetic or some other biologic implants;
- No shrinking of the implant matrix;
- No calcification;
- Long term durability to effect a lasting repair;
- Allows host tissue infiltration into the matrix and the formation of new capillaries;
- Allows tissue regeneration to take place;
- Allows cellular transdifferentiation and site specific remodelling to take place;
- Allows the biomaterial matrix or scaffold to facilitate the stem cell infiltration.

5.3 ADAPT TEP Biomaterials Vs Current Products

The limitations of both existing commercially available biologic soft tissue and synthetic implants vary with procedures and time; however, all have a bearing on costs and patient outcomes. ADAPT TEP is a paradigm shift that overcomes current commercial implant liabilities.

Factors such as rapid growth of new blood vessels, no antigen-related immune response and site specific controlled tissue remodelling provide surgeons with a new dimension in long-term efficacy in their implant selection. These factors in turn will provide health-care providers and patients with a more cost-efficient and functional solution to their needs.

5.4 Global Market Dynamics

Tissue and synthetic products have been used in a variety of surgical procedures for more than 50 years and the global market for both is experiencing annual growth of some 10-15%.

Surgical indications and procedure numbers are increasing as a result of the longer-living population and the increasing incidence of obesity, contributing to broader exposure to risks of heart disease, diabetes and weaknesses in the muscular and skeletal system.

Published market research forecasts the three major market segments for soft tissue repair as having the potential to exceed >\$US1billion in sales annually by 2010 in order to satisfy global needs.

ADAPT TEP provides a proven breakthrough in tissue engineering that will enable existing and future corporations to immediately invest in this new benchmark technology.

5.5 Emerging Clinical Markets

There are three major medical device areas where the ADAPT technology will be positioned to play a pivotal role in future product developments:

5.5.1 Tissue heart valves

The ADAPT technology is currently being used to produce a cardiovascular patch for a Phase II human clinical trial to correct heart deformities such as holes in the heart.

This clinical trial data will be used as clinical evidence to support the use of ADAPT technology in the production of cardiothoracic repair patches and valve leaflets required for stented heart valves, a global market currently worth in excess of US\$700 million annually.

A new and exciting development, currently in early human clinical trials, is the percutaneous heart valve replacement (PHVR). These are new tissue heart valves that are implanted through the patient's arterial system via an introducer, such as a catheter, with the valve mounted on a metal stent (similar to those already used for coronary artery repairs). These new tissue valves have valve leaflets sewn inside the metal stent and the entire system can be introduced without major cardiac surgery. ADAPT technology can be used on these leaflets with some major advantages to the sizing and longevity of these new valves. There are significant cost savings and patient benefits using these new techniques.

5.5.2 Soft tissue biologic mesh repairs

Within this market there are two main clinical applications where an ADAPT processed biologic mesh would provide significantly improved performance over currently used synthetic meshes. All other applications can be grouped together.

- **Hernia Repair**

Ventral hernia repair has become a major clinical problem as the number of procedures is increasing due to rising obesity levels, and there is increasing evidence that many synthetic meshes have high failure rates. Synthetic meshes are also not suitable for ventral hernias that become infected and, therefore, all the global medical device companies involved in this area are looking for improved mesh performance. Biologic meshes are considered to be the optimal way forward once their performance in areas such as durability and remodelling improve. ADAPT TEP gives this optimal performance and will allow the "next generation" product to fully satisfy the needs of the hernia repair market.

- **Pelvic Floor Repair**

There has been an increase in use over the past ten years of synthetic mesh in pelvic floor repairs. Over time, many of these synthetic mesh repairs result in further erosion of natural host tissue close to the operative site. The global medical device companies involved in this area are all seeking to improve their synthetic mesh products by applying various anti-adhesion barriers. It has been shown, in pre-clinical studies, that ADAPT biologic meshes do not create the immune response reactions that lead to the formation of adhesions that will often require further surgical interventions to alleviate the problem.

- **Other**

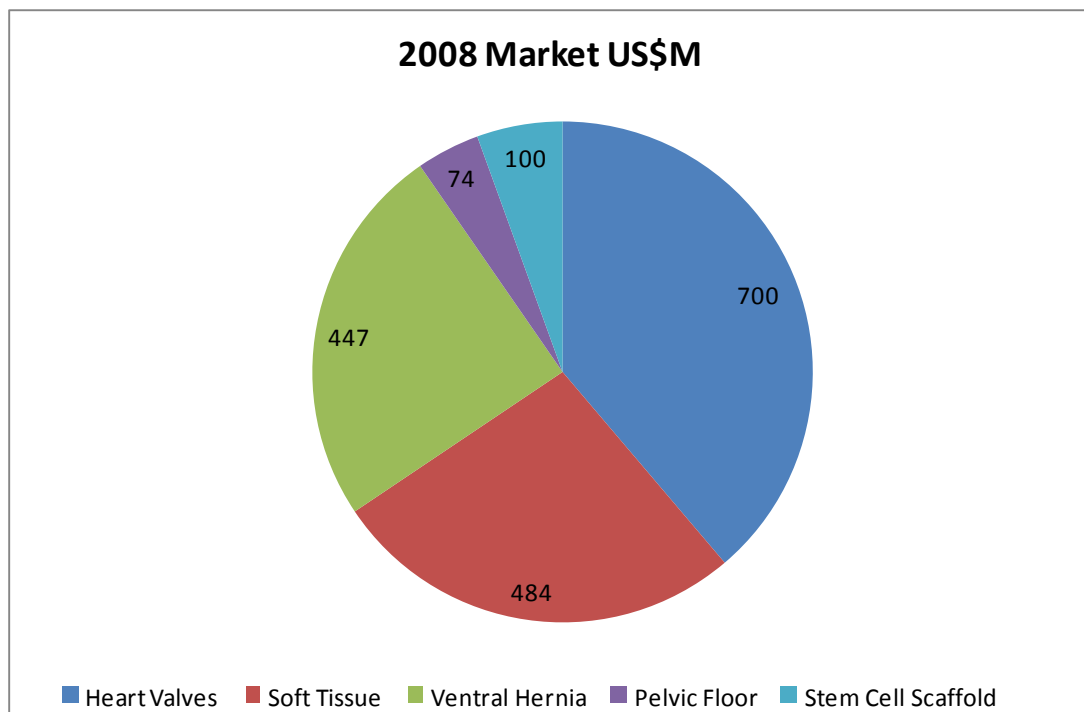
There are two other areas where the ADAPT technology will have a role to play – orthopaedics and wound/burns care.

5.5.3 Regenerative Medicine utilising Stem Cells

This new arena of implantable solutions for repair and growth, often referred to as “Regenerative Medicine”, requires new scaffolds (matrix) to deliver stem cells and growth factors to the site of the intended repair. An ADAPT TEP scaffold or matrix provides the optimum platform for the delivery of these newly emerging technologies. Future development in tissue growth factors and stem cell commercialisation opportunities will require scaffolds to be an integral part of their delivery to the site to be repaired. An ADAPT biologic mesh is already being considered as a possible platform of choice.

5.6 Market Size

The ADAPT technology has the potential to play a role in the manufacture of medical devices that currently have global sales of US\$1.8 billion.



6. PURPOSE AND EFFECT OF THE OFFER

6.1 Use of Proceeds

The purpose of the Offer is to raise funds primarily to:

- Complete current human clinical trials of ADAPT;
- Continue to fund ADAPT and related R&D activities;
- Assist in the funding of regulatory requirements for late-stage product development; and
- Continue to strengthen the Company’s worldwide intellectual position by progressing the examination process for the expanded ADAPT family of patents, including in the territories of the United States, European Union, Canada and Asia.

bioMD cash and receivables as at the date of this Prospectus are approximately \$0.8 million.

6.2 Human Clinical Studies

The ADAPT technology is being used in a Phase II Human clinical trial in South Africa.

CardioCel patches are being used to repair heart deformities in 50 patients. The CardioCel patches are manufactured from bovine pericardium and treated with ADAPT TEP.

The primary objectives of this trial are to evaluate the safety, efficacy and clinical performance of the CardioCel patch in cardiovascular surgical repair procedures. Secondary endpoints are the evaluation of its design features, such as handling characteristics, shape and sizing requirements as well as implant procedures.

Open heart procedures have been carried out on 20 patients to date. Follow up echocardiograms have been carried out on three patients at 6 months postoperatively. Each patient will have a post-operative follow up at 6 and 12 months. Follow-up procedures include echocardiographic examinations to evaluate haemo (blood) compatibility, calcification status and the general efficacy and stability of the implant patch. Selected patients will undergo magnetic resonance imaging (MRI) as part of a more detailed follow-up assessment. Initial results from the three patients followed-up to date are extremely positive.

This trial has been extended to a further two hospitals in South Africa which should allow the implantation phase of the trial to be completed by mid this year.

The ADAPT technology will be used in an Australian pilot study of up to 50 patients. An ADAPT treated biomaterial patch will be used to reconstruct and repair pelvic floor dysfunction. The protocol for this trial is currently being developed.

6.3 Principal Effects

The principal effects on the Company of a fully subscribed offer will be to:

- Place the Company in a more favourable financial position as outlined in Section 6.4 below; and
- Increase the Company's issued Shares by up to approximately 43 million New Shares.

The exact number of New Shares may be subject to rounding, as well as adjustment for events occurring prior to the Record Date. There are 3,650,000 unquoted Options in bioMD that have been issued to Directors, members of senior management and certain research scientists, pursuant to an employee share option plan or by way of direct issue. There are also 6,264,476 quoted Options in bioMD as at the date of this Prospectus.

The Board is of the opinion that, having regard to the exercise price of the Options even where they are eligible for exercise, no Option holder will elect to exercise any such Options before the close of the Offer.

6.4 Effect on the Company's Financial Position

To detail the effects of this Offer on the financial position of bioMD, the following un-audited consolidated summarised proforma Statement of Financial Position has been prepared.

Set out below is the reviewed balance sheet of bioMD as at 31 December 2008 and a proforma balance sheet based on capital raising of \$859,100 and costs of \$18,000.

bioMD LIMITED (ACN 088 221 078)

STATEMENT OF FINANCIAL POSITION (including proforma adjustments)

	CONSOLIDATED	
	Reviewed 31 Dec 2008 \$	Unaudited Proforma after capital raising \$
CURRENT ASSETS		
Cash and cash equivalents	862,508	1,703,608
Other receivables	88,749	88,749
TOTAL CURRENT ASSETS	951,257	1,792,357
NON-CURRENT ASSETS		
Property, plant & equipment	44,812	44,812
TOTAL NON-CURRENT ASSETS	44,812	44,812
TOTAL ASSETS	996,069	1,837,169
CURRENT LIABILITIES		
Trade and Other Payables	160,964	160,964
Borrowings	20,013	20,013
TOTAL CURRENT LIABILITIES	180,977	180,977
NON - CURRENT LIABILITIES		
Provisions	40,945	40,945
TOTAL NON - CURRENT LIABILITIES	40,945	40,945
TOTAL LIABILITIES	221,922	221,922
NET ASSETS	774,147	1,615,247
EQUITY		
Contributed equity	8,135,317	8,976,417
Reserves	184,630	184,630
(Accumulated losses)	(7,664,124)	(7,664,124)
Capital and reserves attributable to equity holders of bioMD Limited	655,823	1,496,923
Minority interest	118,324	118,324
TOTAL EQUITY	774,147	1,615,247

6.5 Effect on Capital Structure

The effect of the Offer on the capital structure of the Company is set out below:

Issue Price per New Share	\$0.02
Shares on Issue at the date of this Prospectus	85,909,969
New Shares offered under this Prospectus	42,954,985
Amount to be raised under the Offer	approx \$859,000
Total number of Shares after issue of New Shares	approx 128,864,954
Market capitalisation of Shares and New Shares at the Issue Price	approx \$2.6 million

7. RISKS

7.1 Principal Risk Factors

7.1.1 General market and business risks

Shareholders should be aware that the market price of the Company's securities may be influenced by a number of factors. General movements in local and international stock markets, exchange rates, prevailing economic conditions, investor sentiment and interest rates could all affect the market price of the Company's securities. These risks apply generally to any investment on the stock market.

The Company is exposed to a number of other business risks which include higher than anticipated operating costs, an increase in competition and loss or damage to the Company's intellectual property and other assets and competition risk in existing and new markets, all of which may have a material adverse effect on the business and financial position of the Company.

7.1.2 Company specific risks

In addition to the general risks associated with investing in the stock market, there are risks specific to investing in any particular entity. If in doubt about the general or specific risks associated with the Company's securities, you should seek advice from your professional advisers. An analysis of some of the specific business risks facing bioMD in the conduct of its activities is shown below.

Commercial Risk

bioMD's ability to achieve profitability is dependent on a number of factors, including its ability to complete successful clinical trials, and obtain regulatory approval for an ADAPT treated medical device. The Company will also seek to commercialise its ADAPT technology through licensing its technology and via joint ventures for new product/medical device development. There is always a chance that technologies such as ADAPT can be surpassed by newer technologies, however, the Company's continuing R&D into the use of stem cells with our ADAPT scaffolds should provide the basis for second and third generation product development. Indications are that the commercially attractive markets already identified for the potential use of the ADAPT technology will remain and grow substantially over the next ten to fifteen years.

The Company has made the appropriate patent applications. There is a risk that these patents will not be granted, which may lead to expensive and lengthy patent disputes for which there can be no guaranteed outcome.

Clinical Trial Risk

The development of biomedical devices and technologies is inherently risky and subject to factors beyond the Company's control. The industry is heavily regulated, subject to intense competition and reliant on the timely availability of clinical data to reinforce product/device registration. There is no assurance that products developed using the ADAPT technology will prove to be safe and efficacious in clinical trials or that the regulatory approval to manufacture and market products will be received. Clinical trials can also potentially expose bioMD to product liability claims in the event that its products in development have unexpected effects on clinical subjects.

8. ACTION REQUIRED BY ELIGIBLE SHAREHOLDERS

IMPORTANT NOTICE

The Offer is non-renounceable which means that if Shareholders do not take up all of their Entitlement, their unaccepted Entitlement will lapse. Shareholders wishing to participate should either accept their Entitlement, in whole or in part, as outlined below. Eligible Shareholders do not need to take up their full Entitlement, although their proportional interest in the Company will be diluted if they choose not to do so.

8.1 New Share Entitlement

All persons registered as Eligible Shareholders on the Record Date will receive an Entitlement of 1 New Share for every 2 Shares held on that date. The number of New Shares to which you are entitled is shown on the Entitlement and Acceptance Form.

8.2 Issue Price

The Issue Price of the New Shares is 2 cents per New Share.

8.3 Entitlement and Acceptance Form

Each Prospectus sent to an Eligible Shareholder will include a personalised Entitlement and Acceptance Form.

8.4 Action Required

If you wish to take up all of your Entitlement and apply for Top Up Shares:

- 1) Complete the accompanying personalised Entitlement and Acceptance Form in accordance with the instruction on the Entitlement and Acceptance Form. If you have applied to take up all of your entitlement to New Shares, you may apply for Top Up Shares by completing the relevant section on the Entitlement and Acceptance Form.

Forward your completed Entitlement and Acceptance Form together with your cheque or bank draft for the amount shown on the form, to the following address to be received **no later than 5pm WDST on 27 March 2009:**

Computershare Investor Services Pty Ltd
Locked Bag 2508
Perth, Western Australia 6001

Cheques must be made payable to 'bioMD Limited - NRRI Account' and crossed 'Not Negotiable'.

OR

- 2) Submit your payment via BPAY.

Please note that payment via BPAY must be made by **no later than 4.00pm WDST on 27 March 2009**. Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment and it is the responsibility of the applicant to ensure that funds are submitted through BPAY by the date and time mentioned above.

8.5 Entitlements Not Accepted

If you decide not to accept all or part of your Entitlement, your unaccepted Entitlement will lapse. It is important that you take action to accept your Entitlement in accordance with the above instructions to avoid it lapsing and your shareholding being diluted by the issue of New Shares under the Offer.

8.6 Payment

Payments for the Offer will only be accepted in Australian dollars by:

- Cheque drawn on and payable by any Australian bank; or
- Bank draft drawn on and payable at any Australian bank or financial institution.
- Funds transmitted via BPAY. If you elect to pay via BPAY, you must follow the instructions for BPAY set out in the Entitlement and Acceptance Form and you will not need to return the Entitlement and Acceptance Form.

Other currency will not be accepted. Shareholders should not forward cash. Receipts for payments will not be issued.

Cheques must be made payable to 'bioMD Limited - NRRI Account' and crossed 'Not Negotiable'.

8.7 Taxation Considerations

8.7.1 General information only

It is your responsibility to satisfy yourself of the particular taxation treatment that applies to you by consulting your own professional tax advisor on your specific circumstances before taking up your Entitlements to New Shares.

8.7.2 Taxation consequences on your particular circumstances

Neither bioMD nor any of its officers, employees, agents and advisors accept any liability or responsibility in respect of the taxation consequences resulting from an investing in New Shares or dealing with an Entitlement in this Issue.

You should seek your own professional taxation advice.

The following comments are by way of general information only and are not to be taken to be specific advice to any person. You should obtain your own independent professional advice taking into account your own specific circumstances. The following comment does not address the taxation issues that arise where the Existing Shares and the Entitlements are held on revenue account.

8.7.3 Consequences of your Entitlement to acquire New Shares

Historically, the accepted tax position has been that the receipt and acceptance by Eligible Shareholders of the Entitlements to acquire New Shares under this Prospectus should not, of itself, give rise to income tax or capital gains tax (CGT) consequences for the Eligible Shareholder.

However, this position may have altered as a result of the decision of the High Court of Australia in *FCT v McNeil* (2007) HCA 5. In *McNeil's* case the High Court decided that the market value of sell-back rights granted to a shareholder constituted ordinary income for Australian income tax purposes.

In response to that case, the tax law was amended to restore the historic position for shareholders where:

- The taxpayer is granted rights because they are a shareholder;
- The shares are not revenue assets or trading stock at the time the rights are issued;
- The rights are not acquired under an employee share scheme;
- The shares are not traditional securities; and
- The shares are not convertible interests.

Accordingly, where an Eligible Shareholder satisfies all of the above conditions, the market value of their Entitlements, as at the time of issue, will be non-assessable non exempt income. That is, no amount will be included in the assessable income and subject to tax to the Eligible Holders as a result of acquisition of those entitlements.

An Eligible Shareholder who fails to satisfy any of the above conditions should seek their own professional tax advice to determine their own tax consequences of the Entitlements. The balance of these tax comments are for shareholders that satisfy the above conditions and hold their shares on capital accounts.

The issue to Eligible Shareholders of such Entitlements by bioMD should not give rise to a dividend or distribution for income tax purposes.

8.7.4 Exercising the Entitlements

The acquisition of the New Shares by exercise for the Entitlements will not have any CGT consequences at the time of acquisition. The New Shares will be taken to have been acquired at the time when the Entitlement are exercised.

The first element of the cost base of New Shares acquired should be equal to the amount paid to exercise the Entitlements of 2 cents per Share. The subsequent disposal of any New Shares may have CGT implications.

8.7.5 Lapse of Entitlements

There should be no taxation consequences for Eligible Shareholders who choose not to exercise the Entitlements and allow them to lapse.

8.7.6 Offer of Top Up Shares and Shortfall Shares

Eligible Shareholders may subsequently be entitled to an offer of Top Up Shares and Shortfall Shares. The tax consequences of the offer of Top Up Shares and Shortfall Shares, the acceptance of the offer and the lapse of the offer are the same as for the original Rights Issue.

8.8 Enquiries

If you have any questions relating to the Offer, please call Mr Robert Towner, Executive Director on **(61 8) 9262 6777**. Applicants with questions on how to complete the Entitlement and Acceptance Form, or the contents of the Prospectus should contact their stockbroker, accountant, lawyer or other professional advisor.

9. FINANCIAL INFORMATION

This financial information sections consists of reviewed Income Statements, Balance Sheets and Statements of Cash Flow for the six months ended 31 December 2008 and complies with the measurement recognition rules of the Australian Accounting Standards. The accounting policies adopted are detailed in the notes to the financial statements included in the finance report section of the Company's Annual Report and are consistent with those of the previous financial year and interim reporting period except as disclosed in the notes.

bioMD LIMITED (ACN 088 221 078) INCOME STATEMENT FOR THE HALF YEAR ENDED 31 DECEMBER 2008

	CONSOLIDATED	
	31 Dec 2008	31 Dec 2007
	\$	\$
Revenue from continuing operations	42,834	52,058
Administration	(553,514)	(634,805)
Employee benefits	(83,898)	(74,212)
Impairment	(5,783)	(3,019)
Depreciation expense	(14,109)	(143,910)
Loss before income tax from continuing operations	(614,470)	(803,888)
Income tax expense	-	-
Loss for the half-year	(614,470)	(803,888)
Loss is attributable to		
Equity holders of bioMD Limited	(548,900)	(702,863)
Minority interest	(65,670)	(101,025)
	(614,470)	(803,888)

bioMD LIMITED (ACN 088 221 078)
BALANCE SHEET AS AT 31 DECEMBER 2008

	CONSOLIDATED	
	31 Dec 2008	30 Jun 2008
	\$	\$
CURRENT ASSETS		
Cash and cash equivalents	862,508	1,448,627
Other receivables	88,749	74,359
TOTAL CURRENT ASSETS	951,257	1,552,986
NON-CURRENT ASSETS		
Property, plant & equipment	44,812	40,994
TOTAL NON-CURRENT ASSETS	44,812	40,994
TOTAL ASSETS	996,069	1,563,980
CURRENT LIABILITIES		
Trade and Other Payables	160,964	126,720
Borrowings	20,013	20,013
TOTAL CURRENT LIABILITIES	180,977	146,733
NON - CURRENT LIABILITIES		
Provisions	40,945	28,630
TOTAL NON - CURRENT LIABILITIES	40,945	28,630
TOTAL LIABILITIES	221,922	175,363
NET ASSETS	774,147	1,338,617
EQUITY		
Contributed equity	8,135,317	8,135,317
Reserves	184,630	184,630
Accumulated losses	(7,664,124)	(7,115,224)
Capital and reserves attributable to equity holders of bioMD Limited	655,823	1,204,723
Minority interest	118,324	183,894
TOTAL EQUITY	774,147	1,388,617

bioMD LIMITED (ACN 088 221 078)

STATEMENT OF CASHFLOWS FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

	31 Dec 2008 \$	31 Dec 2007 \$
CASH FLOW FROM OPERATIONS		
Receipts from customers	6,000	6,000
Payment to suppliers	(612,859)	(450,207)
	(606,859)	(444,207)
Interest received	44,450	39,962
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	(562,409)	(404,245)
CASH FLOW FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment	(9,600)	(8,995)
Payment for intangible assets	(14,110)	(143,910)
NET CASH OUTFLOW FROM INVESTING ACTIVITIES	(23,710)	(152,905)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from share issues	-	320,203
Share issue transaction costs	-	(27,040)
NET CASH INFLOW FROM FINANCING ACTIVITIES	-	293,163
NET DECREASE IN CASH HELD	(586,119)	(263,987)
CASH AT THE BEGINNING OF THE HALF-YEAR	1,448,627	2,146,964
CASH AT THE END OF THE HALF-YEAR	862,508	1,882,977

10. CONTINUOUS REPORTING AND DISCLOSURE OBLIGATIONS

This Prospectus is issued pursuant to section 713 of the Corporations Act as a prospectus for the offer of continuously quoted securities.

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, bioMD is subject to the Listing Rules which require continuous disclosure to the ASX of any information the Company has which a reasonable person would expect to have a material effect on the price or value of its Shares.

Copies of ASX announcements are available on the ASX website www.asx.com.au or the Company's website www.biomd.com.au.

In addition, copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an office of ASIC.

The Company will provide free of charge to any person who requests it during the application period under this Prospectus, a copy of the Annual Report and any continuous disclosure notices lodged by the Company from 12 August 2008 to the date of this Prospectus. The information in the Annual Report may be of interest to Shareholders and their financial advisers.

Company Announcements from 12 August 2008 to the date of this Prospectus are as follows:

Date	Announcements
12.08.2008	Appendix 4E: Preliminary Final Report for the Year Ended 30 June 2008
07.10.2008	Notice of AGM/proxy Form
09.10.2008	Phase II Clinical trial
22.10.2008	September 2008 Quarterly Report
03.11.2008	Lapse of Unlisted Options
12.11.2008	Chairman's Address
12.11.2008	AGM Presentation
12.11.2008	Results of AGM
08.01.2009	December 2008 Quarterly Report
21.01.2009	Change of Directors Interest Notice
29.01.2009	Change of Directors Interest Notice
30.01.2009	Change in Substantial Holding
02.02.2009	Lapse of Unlisted Options
06.02.2009	Appendix 4D: Half Yearly Report for the Period Ended 31 December 2008
10.02.2009	20 th Human Implant of CardioCel ADAPT Treated Biomaterial Patches
13.02.09	Boardroom Radio Audio Broadcast
16.02.09	Investor Presentation Version 1
16.02.09	Investor Presentation Version 2

The Offer and subsequent allotment of New Shares must be carried out in accordance with the timetable, the Prospectus, the Corporations Act, the Listing Rules, the Constitution of the Company and any other applicable law.

11. ADDITIONAL INFORMATION

11.1 Rights and Liabilities of Shares

The rights attaching to the Shares are derived through a combination of statute, the Company's constitution, common law, the Listing Rules and other applicable legislation. The following is a broad summary (though not an exhaustive or definitive statement) of the current rights that attach to Shares in the Company.

11.1.1 Voting Rights

Subject to any rights or restrictions attached to any class of shares, whether by their issue, the Constitution, the Listing Rules or the Corporations Act, at a general meeting each Shareholder present in person or by proxy, company representative or attorney, is entitled to one vote on a show of hands. Upon a poll, every Shareholder present in person or by proxy, company representative or attorney, is entitled to one vote for each fully paid share that the Shareholder holds.

11.1.2 General Meetings

Each Shareholder is entitled to receive notice of and to be present, to vote and to speak at a general meeting of the Company. Further, each Shareholder is entitled to receive all notices, accounts and other documents required to be furnished to Shareholders under the constitution of the Company, the Listing Rules or the Corporations Act.

11.1.3 Dividend Rights

The Company may in general meeting declare a dividend which shall not exceed the amount recommended by Directors. The Company does not expect to pay dividends in the short to medium term.

11.1.4 Transfer of Shares

Subject to the constitution of the Company, the Corporations Act, the ASTC Settlement Rules and the Listing Rules, Shares are freely transferable. Shares may only be transferred by a proper instrument in writing delivered to the Company, and the transferor is deemed to remain the holder of the Shares until the name of the transferee is entered into the Company's register of members. The Company may decline to register a transfer where permitted by law, the Listing Rules or the ASTC Settlement Rules.

11.1.5 Changes in Capital

Subject to the Corporations Act, the constitution of the Company and the Listing Rules, the Directors may consolidate, or divide the Shares, allot, issue or otherwise dispose of new Shares on such terms and conditions as they determine.

11.1.6 Variation of Rights

The Company may only modify or vary the rights attaching to any class of Shares by a special resolution of the Company and a special resolution passed at a meeting of the holders of the issued Shares of that class.

11.1.7 Rights on Winding Up

Subject to the rights of holders of Shares with special rights in a winding up (at present there are none), on a winding up of the Company all assets that may be legally distributed among members will be distributed in proportion to the number of Shares held by them, irrespective of the amount paid up.

11.2 Consents and Disclaimers of Responsibility

Each of the Directors of bioMD has consented to the lodgement of this Prospectus with ASIC.

Price Sierakowski has given and has not withdrawn its written consent to being named as lawyers to the Issue in the form and context in which it is named. Price Sierakowski has not caused or authorised the issue of this Prospectus and takes no responsibility for any part of this Prospectus.

Computershare Investor Services Pty Limited has given and has not withdrawn its written consent to being named as the Company's share registry in the form and context in which it is named. Computershare Investor Services Pty Limited has not caused or authorised the issue of this Prospectus and takes no responsibility for any part of this Prospectus.

11.3 Experts and Advisers Interests

Other than as set out below or elsewhere in this Prospectus, no expert or any firm in which any expert is a partner has, or has had in the two years before lodgement of this Prospectus, any interest in the promotion of, or in any property proposed to be acquired by bioMD and no amounts, whether in cash or shares or otherwise, have been paid or agreed to be paid to any expert (or to any firm in which he or she is or was a partner) for services rendered by the expert or the firm in connection with the promotion, or was a director of bioMD. No form of

payment of any kind will be made or agreed to be made to any such expert or form other than in cash.

Price Sierakowski has acted as lawyers to the Issue and has performed certain work in relation to preparation of the Prospectus, for which a maximum amount of \$3,000 exclusive of GST has been paid or has been agreed to be paid.

Computershare Investor Services Pty Limited has acted as the Company's share registry and will perform certain work in relation to the Issue, for which a maximum amount of \$11,000 exclusive of GST has been paid or has been agreed to be paid.

11.4 Expenses of the Offer

All expenses connected with the Offer are payable by bioMD, including legal fees, share registry fees, printing costs and other miscellaneous expenses. These expenses are estimated at maximum to be \$18,000.

11.5 Interests of Directors

11.5.1 Shareholdings

The Directors of bioMD, their associates or related parties have a relevant interest in the following Shares and Options in bioMD:

Director	Shares	Unlisted Options (exercise price \$0.10 expiry date 16 Nov 2010)	Listed Options (exercise price \$0.25 expiry date 20 Aug 2010)	Entitlement to New Shares offered under this Prospectus
Michael C. Bennett	8,170,000	600,000	-	4,085,000
Robert E.T. Towner	11,631,328	3,086,708	2,486,708	5,815,664
Robert N. Scott	381,750	1,027,000	427,000	513,500

The Directors reserve the right to take up their Entitlement to New Shares offered under this Prospectus.

11.5.2 Declaration

Other than set out above or elsewhere in this Prospectus:

- No Director of bioMD, and no firm in which a Director of bioMD is or was at the relevant time, has or has had in the two years before the date of this Prospectus, any interest in the formation or promotion of, or in any property proposed to be acquired by bioMD; and
- No amounts, whether in cash or shares or otherwise, have been paid or agreed to be paid to any Director or proposed Director of bioMD (or to any firm in which he is or was a partner) either to induce him to become, or to qualify him as a Director, or otherwise for services rendered by him or by the firm in connection with the promotion or formation of bioMD, or in connection with the offer of securities in bioMD.
 - a) Mr Michael Bennett, the Managing Director of the Company, has entered into a service contract through a related entity, Omnimed Pty Ltd, which will receive a consultancy fee of \$300,000 per annum. The contract commenced on 1 July 2006 for 5 years. The Company or Omnimed Pty Ltd may terminate the contract by giving 6 months notice in writing.
 - b) Mr Robert Towner, Executive Director of the Company, has entered into a service contract through a related entity, Mandolin Pty Ltd, which will receive a consultancy fee of \$200,000 per annum. The contract commenced on 1 July 2006 for 5 years. The Company or Mandolin Pty Ltd may terminate the contract by giving 6 months notice in writing.

- c) Mr Robert Scott, the non-executive Chairman, receives annual directors' fees of \$46,000 per annum.

11.6 Privacy

Upon applying for New Shares in the Company, Applicants will be required to provide personal information to bioMD directly and / or via the Share Registry, such as name, address, telephone/fax numbers, tax file number and account details. The Company and the Share Registry will collect, hold and use that personal information to assess administration. Access to information may be disclosed by the Company to its agents and service providers on the basis that they deal with such information in accordance with the *Privacy Act 1988* as amended. Applications which do not provide the information requested may not be processed. Under the *Privacy Act 1988* as amended, Applicants may request access to their personal information held by or on behalf of the Company by contacting the Share Registry as set out in the Corporate Directory.

12. DIRECTORS' STATEMENT

This Prospectus is authorised and issued by bioMD Limited. Each of the Directors has consented in writing to such lodgement of this Prospectus.

Signed for and on behalf of bioMD Limited on 16 February 2009.



Michael C. Bennett
Managing Director

13. DEFINITIONS

In this Prospectus, unless the contrary intention appears, the following words have the following meanings.

"**ABN**" means Australian Business Number.

"**ADAPT TEP**" is a proprietary xenogeneic tissue process utilising tissue engineering technology.

"**Annual Report**" means the Annual Report of the Company for the financial year ended 30 June 2008 which includes audited financial statements for the financial year ended 30 June 2008 and the auditor's report which was lodged with ASX and ASIC on 12 August 2008.

"**Applicant**" is a person who submits an Entitlement and Acceptance Form.

"**Application**" is an application for New Shares in bioMD under this Prospectus.

"**Application Monies**" are monies received by the Company for Shares.

"**ASIC**" is the Australian Securities and Investments Commission.

"**ASX**" is ASX Limited ACN 008 624 691 trading as the Australian Securities Exchange.

"**bioMD**" means bioMD Limited ABN 35 088 221 078.

"**Board**" is the Board of Directors of bioMD.

"**Business Day**" is any day which is defined to be a Business Day pursuant to Listing Rule 19.12 of the Listing Rules of ASX.

"**CHESS**" means the Clearing House Electronic Subregister System, operated by ASTC.

"**Closing Date**" is 27 March 2009 or such later date as the Directors may determine.

"**Company**" is bioMD Limited ABN 35 088 221 078.

"**Company Announcements**" means the continuous disclosure notices given by the Company to ASX from 12 August 2008 to the date of this Prospectus.

"**Constitution**" is the constitution of the Company as at the date of this Prospectus.

"**Corporations Act**" is the Corporations Act 2001 (Cth).

"**Director**" is a director of bioMD.

"**Dollars**" or "**\$**" means Australian dollars unless otherwise stated.

"**Eligible Shareholders**" means eligible shareholders with registered addresses in Australia and New Zealand to whom the Offer will be made,

"**Entitlement**" means the right to subscribe for New Shares at an issue price of 2 cents per New Share under the Offer.

"**Entitlement and Acceptance Form**" is the entitlement and acceptance form attached to or accompanying this Prospectus that sets out the Pro Rata Entitlement of Shareholders to subscribe for Shares pursuant to the Rights Issue;

"**Existing Shares**" means the shares already on issue in bioMD as at the Record Date.

"**Issue**" means the allotment and issue of New Shares pursuant to this Prospectus.

"**Issue Price**" means 2c per New Share

"**Listing Rules**" is the Listing Rules of ASX.

"New Shareholder" means the registered holder of a New Share.

"New Share" means a new ordinary share in the Company issued under this Prospectus.

"Offer" is the non-renounceable entitlement offer of approximately 43 million New Shares, made under this Prospectus to persons who are registered or entitled to be registered as a holder of Shares as at the Record Date, on the basis of 1 New Share for every 2 Existing Shares at an Issue Price of 2 cents per New Share.

"Offer Costs" are direct costs of the Offer including fees paid to advisers and consultants and to providers of specific services to cover share registry, printing and postage costs.

"Options" are the existing quoted options over fully paid ordinary shares in the Company.

"Official List" is the official list of ASX.

"Pro Rata Entitlement" is the pro rata entitlement of Shareholders to Shares by virtue of their shareholding at the Record Date.

"Prospectus" is this Prospectus dated 16 February 2009 issued by bioMD for the Offer.

"R&D" means research and development.

"Record Date" is 5.00pm (WDST) on 25 February 2009 or such later date as notified by the Company to ASX, being the date for the determination of Pro Rata Entitlements of Shareholders of the Company to participate in the Rights Issue.

"Registry" or **"Share Registry"** is Computershare Investor Services Pty Limited

"Rights Issue" is the non renounceable pro rata Offer of Shares to existing Shareholders on the basis of One New Share for every Two Shares held at an issue price of \$0.02 per New Share pursuant to this Prospectus.

"Section" is a section of this Prospectus.

"Shareholder" is a holder of the Shares in bioMD.

"Shares" is fully paid ordinary shares in the capital of the Company.

"Shortfall" or **"Shortfall Shares"** is those Shares for which valid applications have not been received by the Closing Date under the Pro Rata Entitlement of Shareholders.

"Top Up Shares" are extra Shares a Shareholder may apply for in excess of their Entitlement.

"Trading Day" is a day that is defined to be a Trading Day for the purposes of the Listing Rules.

"WDST" means Western Daylight Savings Time.