

8th June, 2006

For immediate release to The Newcastle Stock Exchange

Cosmedics Australia Limited : Acquisition of Australian Medical Imaging Pty. Limited

Cosmedics Australia Limited ("CMA") signed Heads of Agreement on 7th June, 2006 to acquire the company Australian Medical Imaging Pty Limited and its subsidiaries Australian Medical Imaging (North Shore) Pty. Limited and Australian Medical Imaging (Chatswood) Pty. Limited; ("AMI").

CMA will pay 110,000,000 fully paid ordinary shares in CMA to AMI's owners and the transaction is subject to due diligence, independent expert's report and shareholder approval. Shareholder approval will also be sought for a change in name to "Australian Medical Imaging Limited". The shares to be issued will be escrowed only to the extent of any escrow imposed by the Newcastle Stock Exchange. Dr. Douglass and Dr. Mitchell will remain on the board following settlement of the transaction.

CMA also wishes to announce that it no longer proposes to manufacture the safety syringe in Australia and has therefore not exercised the option to continue the lease of the manufacturing facility in Seaford.

AMI is currently conducting the first of its imaging centres at St. Leonards, on Sydney's North Shore, adjacent to the Royal North Shore Hospital. This imaging centre includes a 'state of the art', 64 slice CT scanner along with a full range of other radiology equipment including a second CT scanner and 4D ultrasound. The 64 slice CT is capable of providing virtual angiography and virtual colonoscopy.

Your board believes that this acquisition will be of significant benefit to the company. An information memorandum and independent expert's report will accompany the notice of meeting which is being prepared for shareholders and which will provide full details of the acquisition.

Dr. Bronte Douglass
Chairman