

NOTICE OF ANNUAL GENERAL MEETING

ATCOR MEDICAL HOLDINGS LIMITED

(ACN 113 252 234)

("COMPANY")

Notice is given that the 2007 Annual General Meeting (AGM) of the Company will be held at the offices of Dibbs Abbott Stillman Lawyers, Level 8, 123 Pitt St, Sydney, NSW 2000 on Wednesday, 14 November, 2007 commencing at 11:00am.

ORDINARY BUSINESS

Financial Report, Directors' Report and Audit Report

To receive and consider the Income Statements, Balance Sheets and Cash Flow Statements of the Company for the year ended 30 June 2007, together with the reports of the Directors and Auditors.

Resolutions

1. Remuneration Report

To consider the Remuneration Report as it appears in the Annual Report for the year ended 30 June 2007, and if thought fit, to pass the following non-binding resolution as an ordinary resolution of the Company in accordance with section 250R of the Corporations Act 2001 (Cth):

"That the Remuneration Report of the Company for the year ended 30 June 2007 be approved".

2. Ordinary Resolution

To consider and, if thought fit, to pass the following resolution:

To re-elect Dr Lisa McIntyre as a Director of the Company, who retires as a Director of the Company at this Annual General Meeting in accordance with the Company's Constitution and, being eligible, offers herself for re-election;

SPECIAL BUSINESS

3. Approval of allotment of options to a Director, Mr Duncan R. Ross

To consider, and if thought fit, to pass the following resolution

"To approve:

- (a) the issue of 1,000,000 options over ordinary shares to Mr Duncan Ross, CEO and Executive Director, under the terms of the Company's

Employee Share Option Plan with an issue date of 14 November 2007 and an exercise price being \$0.15; and

(b) the issue of fully paid shares upon exercise of the Options.

The Company will disregard any votes cast on this resolution by:

- a director of the Company;
- or an associate of a director of the Company.

However, the Company need not disregard a vote if:

- It is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- It is cast by a person in the event he or she is chairing the meeting, as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Voting Entitlements

For the purpose of the Annual General Meeting, the Company has determined that all securities of the Company that are quoted securities at 7:00pm Australian Eastern Daylight Time on 12 November 2007 will be taken, for the purpose of the AGM, to be held by the persons who were registered holders at that time. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Annual General Meeting.

Proxies

A shareholder has the right to appoint a proxy who need not be a shareholder of the Company. If a shareholder is entitled to two or more votes they may appoint two proxies and may specify the percentage of votes each proxy is appointed to exercise. The Proxy Form (which is enclosed with this Notice of Meeting) and any power of attorney or authority under which they are signed must be received at the share registry of the Company, Lvl 12, 680 George St, Sydney, NSW 2000 or by facsimile to Link Market Services Limited on +61 (2) 9287 0309 or to the Company on +61 (2) 9874 9022 at least 48 hours prior to the AGM (i.e. by no later than 11.00am Australian Eastern Daylight Time on 12 November 2007) or any adjournment. Any proxy form received after this deadline, including at the Meeting, will be invalid.

By order of the Board

A handwritten signature in black ink, appearing to read 'P. Manley', is written over the typed name.

Peter Manley
Company Secretary
10 October 2007

Explanatory Memorandum

Financial Reports, Directors' and Auditors Reports

The financial report, directors' and auditor's reports may be found on pages 8 to 54 of the 2007 AtCor Medical Holdings Limited Annual Report, included with this Notice of Meeting.

There is no requirement for shareholders to approve those reports. However, the Chairman will allow a reasonable opportunity for shareholders to ask questions or make comments about those reports. Shareholders will also be given a reasonable opportunity to ask the auditor questions about the conduct of the audit, the preparation and content of the audit report, the company's accounting policies and the independence of the auditor.

Members may also submit written questions to the auditor in advance, relating to the content of the audit report or the conduct of the audit. The questions must be provided to the Company no later than 5 business days before the date of the AGM (ie by no later than 5.00pm Australian Eastern Daylight Time on 7 November 2007). Members wishing to submit written questions should post or deliver them to the Company's Registered Office, Suite 11, 1059-1063 Victoria Rd, West Ryde, NSW 2114, or by facsimile to the Company on +61 (2) 9874 9022, marked to the attention of the Company Secretary.

Resolution 1 – Remuneration Report

The Corporations Act 2001 (Cth) requires that the section of the Directors' Report concerning the remuneration of Directors and up to five senior executives be put to a non-binding vote of the shareholders. The Remuneration Report may be found on pages 10 to 17 of the Directors' report in the 2007 Annual Report.

Although non-binding, the directors may take into future consideration the shareholders' vote on this matter.

The Chair will allow a reasonable opportunity at the AGM for shareholders as a whole to ask questions about or make comments on the Remuneration Report.

The Directors recommend you vote in favour of Resolution 1.

Resolution 2 - Re-election of Directors

In accordance with Clause 6.1(f) of the Company's constitution at least one third of directors must retire from office at each Annual General Meeting. Dr Lisa McIntyre is offering herself for re-election per clause 6.1(i).

A summary of Dr McIntyre's experience is shown below:

Dr Lisa McIntyre

Lisa has been an independent director for the Group since January 2005 and is currently a director of L.E.K Consulting Pty Ltd, an international strategy consulting firm, and head of Asia-Pacific life sciences practice. She is also a Non-executive director of 1 publicly listed company, Biotech Capital Ltd, and a director of the Garvan Institute of Medical Research.

Lisa is qualified with a BSc (hons) and PhD.

The Directors (with Dr McIntyre absent and not voting) recommend you vote in favour of Resolution 2.

Members are advised that Ross Harricks, who has served as a Director of the Company since 7 March 2005 and of the Group since 11 November 1994, also retires by rotation in accordance with the Company's Constitution. However, although Mr Harricks is eligible he has decided not to offer himself for re-election. The continuing members of the Board would like to record their gratitude for Ross's service on the Board, beginning as one of the Company's founders and particularly in his capacity as CEO, during which time he steered the company through the commercialisation stages and oversaw AtCor's listing in November 2005.

The Board has decided not to replace Ross, and to operate with a 5-person board for now.

Resolution 3 – Approval of allotment of Options to a Director, Mr Duncan R. Ross

Mr Duncan Ross, CEO and Executive Director of the Company, has been offered 1,000,000 options over ordinary shares with an exercise price being \$0.15, subject to approval by shareholders at the Annual General Meeting. The exercise price represents a 20% premium over the weighted average market price for sales of the Company's Shares on the Australian Stock Exchange over the 5 trading days prior to the date on which the Board decided to recommend the issue of options. The terms of the offer are governed by the Employee Share Option Plan (ESOP), which is available on request. The key rules of the ESOP are summarized below:

- Each option entitles the holder to receive one ordinary share on exercise.
- Vesting periods. Twelve months from the issue date the option holder is entitled to exercise one-third of the total options issued. Twenty four months from the issue date the option holder is entitled to exercise two-third of the total options issued. All options are available to exercise by the option holder three years after the issue date.
- Options expire five years from the issue date.
- In the event of a change of control event occurring, all options whether vested or not become exercisable immediately.
- In the event that the option holder leaves the company's employ, any unvested options will be cancelled. The option holder has 30 days from the final day as an employee in which to exercise any vested option. Those not exercised are cancelled.

With respect to the proposed issue of options to Mr Ross:

- Approval is required under Listing Rule 10.14 for a director to acquire securities (other than by on-market purchase) under the ESOP;
- None of the options, nor shares issued on exercise of options, will be purchased with a loan from the Company;
- If approval is granted, the options will be issued on the date of the Annual General Meeting, 14 November 2007.

This is the first time the Company has sought approval under Listing Rule 10.14 – previous issues under the ESOP have not required consent under Listing Rule 10.14. All directors fall within the definition of “eligible employees” under the ESOP but the Board is not currently offering Options to directors other than the offer to Mr Ross described in this Notice, and any future offers to Directors would be subject to further Shareholder approval under Listing Rule 10.14.

The Directors (with Mr Ross absent and not voting) recommend you vote in favour of Resolution 3.

APPOINTMENT OF PROXY



X99999999999

I/We being a member(s) of Atcor Medical Holdings Limited and entitled to attend and vote hereby appoint

A the **Chairman of the Meeting (mark box)** **OR** if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy

or failing the person/body corporate named, or if no person/body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following instructions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of the Company to be held at 11:00am on Wednesday, 14 November 2007, at the offices of Dibbs Abbott Stillman Lawyers, Level 8, 123 Pitt St, Sydney, NSW 2000 and at any adjournment of that meeting.

Where more than one proxy is to be appointed or where voting intentions cannot be adequately expressed using this form an additional form of proxy is available on request from the share registry. Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the meeting. The Chairman of the Meeting intends to vote undirected proxies in favour of all items of business.

B To direct your proxy how to vote on any resolution please insert in the appropriate box below.

	For	Against	Abstain*
Resolution 1 Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Re-election of Directors – Dr Lisa McIntyre	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Approval of allotment of Options to a Director – Mr Duncan Ross	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

C **If the Chairman of the meeting holds your undirected proxy, the Chairman intends to vote in favour of all resolutions.**
If the Chairman of the meeting is appointed as your proxy, or may be appointed by default and you do not wish to direct your proxy how to vote as your proxy in respect of a resolution, please place a mark in the box.
By marking this box, you acknowledge that the Chairman may exercise your proxy even if he/she has an interest in the outcome of the resolution and votes cast by him/her other than as proxy holder will be disregarded because of that interest.
If you do not mark this box, and you have not directed your proxy how to vote, the Chairman will not cast your votes on the resolution and your votes will not be counted in calculating the required majority if a poll is called on the resolution.

D SIGNATURE OF SECURITYHOLDERS – THIS MUST BE COMPLETED

Securityholder 1 (Individual) <input style="width: 200px; height: 30px;" type="text"/> Sole Director and Sole Company Secretary	Joint Securityholder 2 (Individual) <input style="width: 200px; height: 30px;" type="text"/> Director/Company Secretary (Delete one)	Joint Securityholder 3 (Individual) <input style="width: 200px; height: 30px;" type="text"/> Director
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This form should be signed by the securityholder. If a joint holding, either securityholder may sign. If signed by the securityholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the securityholder's constitution and the *Corporations Act 2001* (Cwlth).

Link Market Services Limited advises that Chapter 2C of the *Corporations Act 2001* requires information about you as a securityholder (including your name, address and details of the securities you hold) to be included in the public register of the entity in which you hold securities. Information is collected to administer your securityholding and if some or all of the information is not collected then it might not be possible to administer your securityholding. Your personal information may be disclosed to the entity in which you hold securities. You can obtain access to your personal information by contacting us at the address or telephone number shown on this form. Our privacy policy is available on our website (www.linkmarketservices.com.au).

