

FOR IMMEDIATE RELEASE

PRISM MEDICAL LTD. (PM:TSX-VEN)
Reports Third Quarter 2007 Financial Results

VAUGHAN, ONTARIO, August 31, 2007 – Prism Medical Ltd. (“Prism” or “the Company”) (PM;TSX-VEN) today announced its results for the third quarter ended August 31, 2007.

Sales for the third quarter of 2007 were \$10.7 million compared to \$9.9 million in 2006. For the nine months ending August 31, 2007, sales were \$31.8 million compared to \$31.3 million during the comparable period in 2006.

UK sales increased in 2007 versus 2006 driven by an expanded dealer network and foreign exchange movements. This increase was offset by Canadian sales declines caused by the cessation of the Ontario government funding for lifting equipment.

EBITDA for the third quarter of 2007 was \$2.0 compared to \$1.5 in 2006. For the nine months ending August 31, 2007 EBITDA was \$4.8 versus \$3.9 in the comparable 2006 period.

Net income for the third quarter of 2007 was \$0.9 million (\$0.12 per share on a diluted basis) versus \$1.0 million (\$0.13 per share on a diluted basis) for the previous year.

For the nine months ended August 31, 2007, net income was \$1.8 million versus \$1.4 million in the comparable 2006 period (\$0.26 per share versus \$0.22 per share on a diluted basis).

Andrew McIntyre, Chairman and CEO of Prism stated, “The third quarter of 2007 showed further profit improvement as our operational strategies are successfully executed, particularly in reducing administrative costs.”

Prism announced today that John Charles, Chief Financial Officer resigned effective today to pursue another business opportunity. Mr. McIntyre thanked Mr. Charles for his efforts in this capacity and was pleased to note that Mr. Charles will remain a Director and Vice-Chairman of the Board. The board has appointed Miles Atkinson as Chief Financial Officer. Mr. Atkinson was appointed as Vice President Finance of Prism in May of this year and has served in various financial capacities with a number of public and private companies in his twenty-eight years of experience as a chartered accountant in both Canada and the UK.

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The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this press release.

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