

NEWS RELEASE

Prism Medical Ltd. (PM:TSX-VEN) Announces Intention to Conduct a Non-Brokered Private Placement

VAUGHAN, ONTARIO, August 27, 2009

Prism Medical Ltd. ("Prism") (PM:TSX-VEN) announced today that it has completed a non-brokered private placement of common shares (the "Private Placement") effective August 25, 2009.

Prism issued an aggregate of 350,118 common shares at a price of \$6.00 per share raising gross proceeds of \$2,100,708. The proceeds of the Private Placement will be used to fund strategic acquisitions, retire outstanding funded debt and general operations.

The common shares issued under the Private Placement are subject to a hold period of four months expiring on December 27, 2009.

The Private Placement was extended to directors, senior executives, employees and consultants of Prism and its subsidiaries in order to further its objectives of encouraging share ownership by these individuals and aligning their interests as a group and with the company. Some of these individuals borrowed all or a part of the subscription funds from HSBC Bank Canada or a related entity on normal banking terms. Prism has guaranteed these borrowings in order to facilitate the subscriptions.

ABOUT PRISM

Prism is a provider of durable medical equipment and related services to the mobility disadvantaged in Canada, the U.S. and the United Kingdom. While Prism's history dates back to 1996, Prism's subsidiaries and divisions have been servicing the mobility disadvantaged since the mid 1980's in their homes, long-term care facilities and acute care facilities. Prism includes Waverley Glen, North America's premiere ceiling lift manufacturer with distribution across Canada and the U.S., Patient Lifts of New England with distribution across the northeastern USA, Westholme and Care Free Lifting & Handling, leading distributors of moving and handling products in the U.K. and Freeway Health Care, a U.K.-based manufacturer of ceiling lifts and shower chairs.

Forward-looking Information

Certain statements in this release may constitute forward-looking statements. Such forward-looking statements involve risks, uncertainties and other factors, which may cause actual results,

performance or achievements of Prism to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements.

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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.