

NEWS RELEASE

PRISM MEDICAL ANNOUNCES REPURCHASE OF UP TO \$4 MILLION WORTH OF ITS COMMON SHARES VIA SUBSTANTIAL ISSUER BID

VAUGHAN, ONTARIO, September 25, 2007 - PRISM MEDICAL LTD. (TSX-V: PM) ("Prism") today announced that its Board of Directors has authorized an offer to repurchase for cancellation up to \$4 million worth of its common shares, at a price range of \$3.25 to \$3.75 per share, through a Dutch auction type substantial issuer bid. Up to a maximum of 1,230,769 common shares may be repurchased under the issuer bid, representing approximately 20% of Prism's outstanding common shares. Prism currently has approximately 6 million common shares issued and outstanding.

The Dutch auction tender procedure allows shareholders to select the price, within the specified range, at which each shareholder is willing to sell all or a portion of the shares he or she owns. Upon expiration of the offer, Prism will select the lowest purchase price (the "Purchase Price") that will allow it to buy the largest number of shares for an aggregate purchase price not exceeding \$4 million. Shares tendered at or below the Purchase Price will be purchased at the Purchase Price, subject to proration to the extent the aggregate cost to purchase all of such shares tendered exceeds \$4 million.

The Board of Directors of Prism has retained LECG Canada Ltd. ("LECG") to provide a formal valuation and an opinion on the fair market value of Prism's common shares in accordance with applicable securities legislation. LECG has determined that the fair market value of Prism's common shares as of May 31, 2007 is in the range of \$4.15 to \$4.84 per share.

Prism is making the offer to provide a liquidity opportunity for shareholders and because the Board of Directors and management believe that the shares have been trading in price ranges which do not fully reflect the value of Prism's business and future prospects, and in volumes that do not provide reasonable liquidity for shareholders. The Board of Directors recommends that shareholders not deposit their shares under the offer unless liquidity is of paramount importance to them. The reason for this recommendation is that the maximum Purchase Price, although it reflects a premium to the current trading price of Prism's shares, is below the lower end of the range of value of the shares as determined by LECG. Shareholders are urged to consult their own investment and tax advisors and make their own decisions whether to deposit shares to the offer.

An issuer bid circular containing full details of the offer and procedures for tendering common shares will be mailed to shareholders on or about September 28, 2007. The offer, which is subject to regulatory approval, will expire 12:00 noon (Toronto Time) on or about November 5, 2007 unless extended by Prism.

Prism Medical Ltd. is a provider of durable medical equipment and related services to the mobility disadvantaged in Canada, the U.S.A. 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 1980s in their homes, long-term care facilities and acute care facilities. Prism includes Waverly Glen Systems, North America's premier ceiling lift manufacturer with distribution across Canada and the US, Westholme and Care Free Lifting & Handling, leading distributors of moving and handling products in the UK, and Freeway Health Care, a UK-Based manufacturer of ceiling hoists and shower chairs.

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