



LMS Medical Systems Inc.

For Immediate Release

LMS MEDICAL UNVEILS NEW OBSTETRICS SAFETY PROGRAM WITH LEADING MALPRACTICE INSURER

Montreal, Quebec, July 31, 2008 – **LMS Medical Systems (TSX:LMZ)**, a healthcare technology company and developer of the CALM[®] patient safety software suite for obstetrics, today announced that the Company in conjunction with Princeton Insurance has launched a “best practices for obstetrics” initiative. The program is facilitated by a team of LMS specialists with a deep understanding of the labor and delivery environment and related malpractice concerns. Princeton Insurance protects the majority of New Jersey’s physicians, dentists and chiropractors, along with thousands of allied health professionals and many of the state’s hospitals and health systems. Princeton is commencing initial implementation of the LMS program at a hospital within its insured base.

The LMS offering, known as OB PEP[™] – Obstetrical Performance Excellence Program – focuses on patient safety imperatives to support continuous performance improvement in labor and delivery. Obstetrics represents one of the highest risk specialties in healthcare and OB PEP provides assistance in mitigating that risk. The program is designed to assist clinical teams in the optimization of their assessments of clinical risk and their action plans in the pursuit of excellence for safe, quality care.

“Princeton Insurance has partnered with New Jersey hospitals for more than three decades and this new alliance with LMS will further our mission to protect New Jersey healthcare providers and partner with them to provide outstanding patient care,” said Charlie Lefevre, Princeton Insurance President and CEO.

“The OB/PEP offering is a natural extension of our services,” said Diane Côté, CEO and President of LMS. “As with Princeton Insurance, we have a long standing tradition and commitment to providing safer care for all stakeholders.”

About Princeton Insurance

Princeton Insurance, headquartered in Princeton NJ, is the leading medical malpractice insurer in New Jersey, serving the state’s hospitals and individual healthcare professionals since 1976.

About LMS: LMS is a leader in the application of advanced mathematical modeling and neural networks for medical use. The LMS CALM Clinical Situational Awareness[®] Suite provides physicians, nursing staff, risk managers and hospital administrators with clinical information systems and risk management tools designed to improve outcomes and patient care for mothers and their infants during childbirth.

Except for historical information contained herein, the matters discussed in this news release are forward-looking statements. Because these forward-looking statements involve risks and uncertainties, there are important factors that could cause actual results to differ materially from those expressed implied by the forward-looking statements including, but without limitation, economic conditions in general and in the healthcare market, the demand for and market for our products in domestic and international markets, our current dependence on the CALM product suite, the challenges associated with developing new products and obtaining regulatory approvals if necessary, research and development activities, the uncertainty of acceptance of our products by the medical community, the lengthy sales cycle for our products, third party reimbursement, competition in our markets, including the potential introduction of competitive products by others, our dependence on our distributors, physician training, enforceability and the costs of enforcement of our patents, potential infringements of our patents and the other factors set forth from time to time in the Company’s filings with the United States Securities and Exchange Commission and with the Canadian

Securities Commissions. The Company has no intention of or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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