



**Eastland Medical
Systems Ltd**
A.C.N. 090 987 250

30 November 2004

The Manager
Company Announcements Platform
Australian Stock Exchange Limited
Level 4, 20 Bridge Street
SYDNEY NSW 2000

By E-Lodgement: 2 Pages

Dear Sir

EASTLAND SECURES KEY SOUTH AFRICAN DISTRIBUTOR

Eastland Medical Systems Ltd (Eastland) is pleased to announce that it has entered into an agreement to acquire 45% of the equity in the Johannesburg based South African medical products distributor, Health In Form (Pty) Limited (Health In Form).

Under the terms of the agreement Eastland will advance to Health In Form the amount of ZAR900,000 (A\$189,590) in the form of a cash loan of ZAR450,000 (A\$94,795) together with medical product stock from the Company's Medical Industries Australia (MIA) business to the value of ZAR450,000 (A\$94,795) in return for a 45% equity stake in the Company.

Eastland's CEO and Managing Director, Mr Don O'Sullivan will be appointed to the Board of Health In Form.

The current Management and Board of Health In Form have extensive experience within the medical industry and an intimate knowledge of the Sub-Sahara and Southern African markets. These markets represent a population in excess of 450 million people. This investment in Health In Form will provide the EMS group with immediate sales and distribution capability in this important market for its extensive range of medical products through MIA.

Managing Director of Health In Form, Ms Stephne Boukan recently visited Australia to meet with Eastland's Executive Team in Perth and also spent time at MIA in Sydney where she evaluated the MIA range of medical products suitable for the South African market. Ms Boukan was not only impressed, but enthusiastic with the wide range of products that MIA will provide to Health In Form and it is now anticipated that the first shipment of MIA products to Health In Form will take place within the next 4 weeks.

Ms Boukan commented that the EMS group's products were likely to represent in excess of 60% of Health In Form's sales going forward. Health In Form will also market part of the range of Portland Surgical's products such as its Underwater Chest Drainage Systems.



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This investment in a Johannesburg based South African medical products distributor will provide a significant contribution to Eastland's future growth into world markets and will complement the Company's previously announced forthcoming acquisition of the South African needle manufacturer New Promex Corporation.

For further information please contact Managing Director Mr Don O'Sullivan or our Marketing Director, Mr David Whitelaw on (08) 9481 1844.

F.D O'Sullivan
Managing Director