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Eastland Medical
Systems LTD

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Sydney. NSW 2000

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MEDIA RELEASE

Eastland Medical Systems Executive Chairman and Director Appointments

Eastland Medical Systems Ltd (EMS) are pleased to announce the appointment of Dr Diliza Mji as Executive Chairman of their subsidiary Eastland Medical Systems South Africa Ltd. (EMSSA)

Dr Diliza Mji is a highly regarded Medical Surgeon and a leading South African businessman. Dr Mji is the former Chairman of the South Africa Industrial Development Corporation "IDC" and has served on a number of notable Boards including Deputy Chairman of British Aerospace SA, Directorships of ARMSCOR and Telkom SA and the notable position of Trustee of the National Empowerment Group.

Dr Mji is also an investor in EMSSA and will take an active role in establishing EMSSA and EMS's products into the African Market.

Dr Mji is joined by Dr I Kwame Amuah as a non-executive director of EMSSA whose company has also become an investor in EMSSA. Dr Amuah is the Son in Law of Mr Nelson Mandela and has wide experience in business and international affairs. Dr Amuah was special advisor to Dr Ben Ngubane; Minister for Science and Technology and during this period represented the Govt. of South Africa on the United Nations sponsored conferences and served on the United Nations technical and scientific committee. Dr Amuah has published several articles on science and technology and published two books.

With the 25% investment of Dr Mji and Dr Amuah in EMSSA, EMSSA qualifies under the "South African Black Empowerment Group Economic Partner Participation" (BEE) rules giving the company considerable advantage in the tendering process where up to 30% price advantage can be achieved over non-qualifying BEE registered enterprises.

EMSSA have already begun the process of tendering products in several African Nations, the most recent being the EMS *Retracta* Safe Syringe.

Mr David Anderson has been appointed Managing Director of EMSSA. Mr Anderson has wide knowledge and experience in business in Africa and is well known to both Dr Dji and Dr Amuah. EMS will have two representatives on the Board of EMSSA.

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CEO, Mr Don O'Sullivan says "the completion of the appointments to the board of EMSSA of such highly qualified and respected people opens opportunity for the fast tracking of our wide range of exclusive products into the African market. By establishing EMSSA as a subsidiary (EMS 65%) allows EMS to concentrate on the Australian & Asian markets while its subsidiaries and associated companies concentrate on their respective Territories creating sales and revenue streams, with the profits from sales of EMS, Medical Industries Australia and Portland Surgical product flowing back to EMS."

"An important objective of the Global Network that EMS has established is to provide funding to finance growth. By the establishment of this network, each individual company within the Group is responsible for funding its own growth, fast tracking market penetration of global markets and increase sales within their respective territories. EMS is thus relieved of the need to finance the anticipated growth over the next two years".

Yours faithfully,

A handwritten signature in black ink, appearing to read 'F.D. O'Sullivan', with a long horizontal flourish extending to the right.

F.D. O'Sullivan.
Managing Director.