



**Eastland Medical
Systems Ltd**

24 April 2006

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

By E-lodgement of 2 pages

Dear Sir

Eastland to List in South Africa.

Eastland Medical Systems South Africa (EMSSA), Eastland Medical Systems Ltd's (Eastland®) South African subsidiary is progressing to a Capital Raising and Listing on the Johannesburg Stock Exchange (JSE)

EMSSA, who recently contracted to buy 75% of South African medical distributor Professional Medical Supplies (Pty) Ltd (Profmedical), is now moving to establish a substantial manufacturing facility in Johannesburg, to produce, among other products, 50 million ClipOn's per annum for the Eastland Group.

Further expansion of the operations of its other South African distributor Health Inform (HIF) [45% (Eastland®) holding] is also in the planning stages.

EMSSA intend to raise Rand 25 million to complete these projects which will result in a turnkey African operation capable of servicing the African markets and Eastland Group distributors with Eastland's range of safe products.. It is the intention of the Eastland® to provide access to its P.A.P. needle grinding and manufacturing technology to EMSSA to enhance the supply of Clip-On needles and further reduce manufacturing costs.

The EMSSA facility will complement the Portland (Australia) facility with production of Clip-On, Retralok and VetLok using Eastland's patented method of manufacture under license, for local market and export contracts. Costs of manufacture in the EMSSA facility will be less than Portland due mainly to a weaker currency and reduced labour costs giving the Eastland Group greater advantages in the international market place.

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Eastland's CEO Mr Don O'Sullivan says "The expansion in South Africa is of enormous benefit to the Eastland Group. This continued global expansion will position the Company at the forefront of the Safe Needle market with Clip-On being the most competitive product when compared with standard syringes and unsafe needles. A major contributing factor to Eastland's® success and pricing will be the introduction of its new patented method of manufacture".

Yours faithfully,

F.D. O'Sullivan.
Managing Director