Eastland Medical
Systems Ltd

3 August 2006

The Manager,
The Company Announcements Platform,
Australian Stock Exchange Limited,
Level 4, 20 Bridge Street,
Sydney. N.S.W. 2000.

By E-Lodgement of 2 pages

Dear Sir,

EASTLAND® ASSOCIATE "INTERNATIONAL MEDICAL DEVICES PLC" SECURES ANOTHER UK MEDICAL DISTRIBUTOR

Eastland Medical Systems Ltd ("Eastland®") associate International Medical Devices Plc ("IMD"), the fast-growing medical supply company, has announced that it has entered into an agreement to acquire the entire share capital of EMS Medical Limited UK ("EMS Medical)"), a leading provider of healthcare products to the hospital, primary healthcare and community healthcare sectors in the UK and abroad. On completion IMD will be paying a total of £450,000 of which £200,000 will be paid in cash and a further £250,000 through the issue of 3,571,429 new Ordinary Shares in the Company at a minimum price of £0.07 pence per new Ordinary Share. For clarification EMS Medical has not previously been related or associated with Eastland®.

The total consideration payable is capped at £1million, with the balance of the total consideration, £550,000, to be satisfied by the issue of further shares in the Company to the Vendors at prescribed intervals according to agreed performance criteria, principally the net operating profit of EMS Medical measured against currently projected trading results.

EMS Medical provides a portfolio of leading brands targeted at the aged care and care in the community markets in the UK and abroad including respiratory products, neo-natal care, tracheostomy care and Tubicare – a flexible range of medical disposable goods including wound drainage and amniotic hooks.

Commenting on the acquisition, IMD's Chairman stated: "The purchase of EMS Medical continues our aim to acquire companies within the medical device sector and positions us as a key player in the aged care market. Our strategy is to bring our portfolio of products to market in the UK, Europe and North America and we feel EMS Medical complements this as it is already distributing throughout the UK, with a third of its current turnover coming from European and Middle Eastern markets."

About IMD:

International Medical Devices Plc was admitted to AIM of the London Stock Exchange in November 2004 with the purpose of acquiring companies or businesses operating in the health and medical devices sector which have the prospect of delivering high return and significant capital growth.

In 2005 the Company acquired the technology patents and distribution rights from Eastland Technology Australia and Eastland Medical Systems respectively, both established Australian companies with manufacturing and distribution rights and technology rights primarily in the Southern hemisphere but also in North America, the UK and most of Europe. It also acquired Meddis Ltd, a speciality UK distributor of medical devices. In April 2006 it acquired Response Medical Equipment Ltd for a total consideration of £6.3 million.

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Eastland®:

Eastland Medical Systems Ltd CEO, Mr Don O'Sullivan said "this is a very positive move in the development of Eastland®, and will enable the company to exploit the significant opportunities in these major international markets through its association with International Medical Devices, Response Medical Equipment, Meddis Ltd and EMS Medical. This agreement also adds significant value for the shareholders of Eastland® through its investment in IMD. IMD's and its subsidiaries current business turnover is now in excess of Stg£10.95 million (Aust $27 million at today's exchange rate).

When combined with the developments in the African region, Eastland® has been successful in positioning the company for significant growth over the coming year and creating an international distribution network that provides market entry and distribution for the first of our safe products range, Clip-On, Retralok, VetLok and other safe products into major world markets."

Yours sincerely,

F.D.O'SULLIVAN
Chief Executive Officer.

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