

20th December, 2006



Eastland Medical
Systems Ltd

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

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Dear Sir,

Notice under sections 708 & 708A of the Corporations Act 2001.

We refer to the Company's announcement of 30th November regarding Eastland Medical Systems Ltd ("Company") (ASX code: EMS) capital raising through a private placement of up to 20 million shares. A second tranche of 8 million shares were issued and are the subject of an Appendix 3B lodged with the ASX on the 18 December 2006.

The above shares were issued without disclosure to investors under Part 6D.2 of the Act. The Act restricts the on-sale of securities without disclosure, unless the sale is exempt under section 708 or 708A. By the Company giving this notice, sale of the securities noted above will fall within the exemption in section 708 (5) (b) and 708A (5) (e) of the Act.

The Company gives this notice pursuant to sections 708 (5) (b) & 708A (5) (e) of the Corporations Act 2001 (Cth) (Act).

1. The issue and sales of the Securities and the amount raised from issues and sales that result from this offer are not received in Australia.
2. As at the date of this notice, the Company has complied with:
 - (a). the provisions of Chapter 2M of the Act as they apply to the Company; and
 - (b). Section 674 of the Act; and
3. As at the date of this notice, there is no additional information to be disclosed which is excluded information (as defined in section 708A (7) & 708A (8) of the Act) is set out as follows:

Yours sincerely,

.....
T.P. Strahan.
Company Secretary.

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