



**Eastland Medical
Systems LTD**

ACN 090 867 250

14 October 2010

ASX Limited
Level 8, Exchange Plaza
2 The Esplanade
Perth WA 6000

Attn. Sebastian Bednarczyk

By fax: 9221-2020

Dear Mr Bednarczyk

RE: PRICE AND VOLUME QUERY

Eastland acknowledges and responds to your letter received by email earlier today. At the time of writing, Eastland notes that the last sale price settled to \$0.052.

In specific response to each question:

1. Eastland is not aware of any information concerning it that has not been announced, which, if known, could be an explanation for the recent trading in the securities of Eastland.
2. Not applicable.
3. Eastland is not aware of any other explanation for the price change and increase in volume other than what could be attributed to the following.
 - On the 5th July 2010 Eastland advised the market of its participation in the 2010 Interscience Conference being held in Boston USA in September
 - On the 22nd July 2010 Eastland notified the market of its CEO's BOARDROOM Radio Interview on ArTiMist™ which could be listened to on the web
 - On the 2nd August 2010 Eastland provided the market with a copy of a presentation on ArTiMist™ delivered by two of its Directors to brokers and investors in Sydney, Melbourne and Perth
 - On the 9th August 2010 Eastland notified the market that it had successfully completed the issue of 56,925,000 new shares at an issue price of \$0.04 cents under a placement, which was oversubscribed, for the gross proceeds of \$2,277,000.

28/25 Walters Drive
Osborne Park WA 6017

PO Box 1719
Osborne Park BC, WA 6916
(t) 08 6142 5555
(f) 08 9446 4895

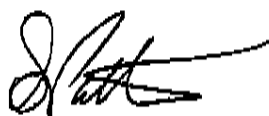
(E) eastland@eastlandmedical.com.au
(W) www.eastlandmedical.com.au

0894464895

- On the 15th September 2010 Eastland advised the market that the results of the recently completed Rwandan clinical trial had been presented to the International scientific community in Boston, USA, at the 50th Interscience Conference on Antimicrobial Agents and Chemotherapy (ICAAC).
- On the 30th September Eastland notified the market that it had accepted an unconditional offer for its Portland Surgical Products Ltd property which would result in an increase in Eastland's cash position by approximately \$294,000. after costs.

4. Eastland remains in compliance with the Listing Rules, in particular Listing Rule 3.1.

Yours sincerely
Eastland Medical Systems Ltd



Dermot Patterson
Company Secretary



ASX Compliance Pty Limited
ABN 26 087 780 489
Level 8 Exchange Plaza
2 The Esplanade
PERTH WA 6000

GPO Box D187
PERTH WA 6840

Telephone 61 8 9224 0000
Facsimile 61 8 9221 2020
www.asx.com.au

14 October 2010

Mr Dermot Patterson
Company Secretary
Eastland Medical Systems Limited
Suite 29, 25 Walters Drive
OSBOURNE PARK WA 6018

By Email: d.patterson@eastlandmedical.com.au

Dear Dermot,

Eastland Medical Systems Limited (the "Company")

PRICE AND VOLUME QUERY

We have noted a change in the price of the Company's securities from \$0.043 on 13 October 2010 to a high of \$0.054 today. We have also noted an increase in the volume of trading in the securities over this period.

In light of the price and volume change, please respond to each of the following questions.

1. Is the Company aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company?

Please note that as recent trading in the Company's securities could indicate that information has ceased to be confidential, the Company is unable to rely on the exceptions to listing rule 3.1 contained in listing rule 3.1A when answering this question.

2. If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?

Please note, if the answer to question 1 is yes and an announcement cannot be made immediately, you need to contact us to discuss this and you need to consider a trading halt (see below).

3. Is there any other explanation that the Company may have for the price and volume change in the securities of the Company?

4. Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.

Your response should be sent to me by facsimile number (08) 9221 2020. It should not be sent to the Company Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, not later than 5:30 pm (W.S.T) on Thursday, 14 October 2010.

Under listing rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a suitable form and separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

Listing rule 3.1

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in listing rule 3.1A.

In responding to this letter you should consult listing rule 3.1 and Guidance Note 8 – Continuous Disclosure: listing rule 3.1.

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

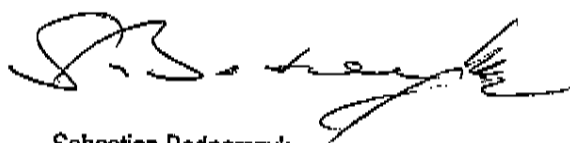
Trading halt

If you are unable to respond by the time requested, or if the answer to question 1 is yes and an announcement cannot be made immediately, you should consider a request for a trading halt in the Company's securities. As set out in listing rule 17.1 and Guidance Note 16 – Trading Halts we may grant a trading halt at your request. We may require the request to be in writing. We are not required to act on your request. You must tell us each of the following.

- The reasons for the trading halt.
- How long you want the trading halt to last.
- The event you expect to happen that will end the trading halt.
- That you are not aware of any reason why the trading halt should not be granted.
- Any other information necessary to inform the market about the trading halt, or that we ask for.

The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. If a trading halt is requested and granted and you are still unable to reply to this letter before the commencement of trading, suspension from quotation would normally be imposed by us from the commencement of trading if not previously requested by you. The same applies if you have requested a trading halt because you are unable to release information to the market, and are still unable to do so before the commencement of trading.

Yours sincerely,



Sebastian Bednarczyk
Adviser, Issuers (Perth)