ASX ANNOUNCEMENT



Eastland Medical Systems Ltd

www.eastlandmedical.com.au

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Eastland Medical Secures Rights to Distribute New Anti-Malaria Treatment

Eastland® Medical Systems Ltd (ASX: EMS) announces today that an Agreement to exclusively distribute a new patented children's anti-malaria treatment within Sub-Saharan Africa has been concluded. The new treatment attacks the virus at far greater speed than traditional tablets.

The Agreement, between EMS subsidiary Eastland Medical Systems South Africa (Pty) Ltd (EMSSA) and Star Medical (Botswana) Limited, will entitle EMSSA to distribute the new treatment to the 47 countries within Sub-Saharan Africa.

Using a proven anti-malaria treatment that is presently used in tablet form, the new treatment has distinct advantages over current methods - especially in respect of children - due to the speed in which it attacks the malaria virus.

A recently conducted phase one clinical study of the new treatment in Nigeria found a 100% effective success rate in all patients tested.

Eastland® CEO Dermot Patterson said: "This Exclusive Distribution Agreement is the result of a series of meetings with Health Ministry representatives from several African nations, where Malaria is a major health issue.

"An additional advantage of the new treatment is the reduced need for continued hospitalization, which will result in significant cost savings to Governments and relief organizations.

"The Agreement complements Eastland's current distribution strategy for our patented safe medical ClipOn™ device and has the potential to assist fast track of ClipOn™ into the major markets of Africa.

"The World Health Organisation recently stated that US\$1.9 billion per year is to be spent in Africa to finance the control and treatment of malaria.

"Subject to regulatory approvals Eastland[®] estimates revenues of 200 million Rand in the second year of distribution growing to 400 million Rand by year four," he said.

About Eastland Medical Systems

Eastland® is a publicly listed international medical device company that develops, manufactures and distributes medical devices to Government and Private Sector Hospitals, clinics, medical practitioners and pharmacies in Australia and overseas. Eastland® provides a range of safe injection, infusion & blood drawing devices and related surgical products aimed at protecting healthcare workers by preventing the transfer of infectious diseases resulting from needlestick injury. Eastland® distributes its products in Australia through its wholly owned subsidiaries Medical Industries Australia in Sydney and Westcoast Surgical and Medical Supplies in Perth, as well as its international associated companies in the UK and South Africa.

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