



**Eastland Medical
Systems Ltd**

A.C.N. 090 987 250

12 February 2006

ASX ANNOUNCEMENT

Eastland[®] Secures Exclusive Contract to Manufacture & Distribute New Anti-Malaria Treatment to Asia, India and the Pacific Region

Eastland[®] Medical Systems Ltd (ASX: EMS) will manufacture and distribute a new, anti-malaria treatment to Asia, India and the Pacific region following the signing of an Agreement today with UK Scientific Research & Development company Proto-Pharma Ltd.

Eastland[®] CEO Dermot Patterson said clinical trials of the treatment would begin in Malaysia within three months as part of the regulatory approvals process. A recently conducted clinical study of the new treatment in Nigeria found a 100% effective success rate in all patients tested.

"Eastland[®] is currently considering several offshore manufacturing facilities and following regulatory approvals, we expect sales and distribution to commence in 2008/09," Mr. Patterson said.

The Agreement follows a Contract signed in December between 65%-held Eastland[®] subsidiary Eastland Medical Systems South Africa (Pty) Ltd (EMSSA) and Star Medical (Botswana) Limited, which grants EMSSA the exclusive distribution of the new treatment in Sub-Saharan Africa.

"These two deals are expected to generate combined direct revenues of up to A\$40 million in the second year of production, increasing to A\$80 million by Year 4 as the treatment increasingly gains market and Aid subsidiary support.

"Eastland[®] has now secured access to approximately 97% of the world's malaria-infected countries and their combined 485 million reported cases of malaria.

"This Agreement is a key part of Eastland's[®] overall strategy to build a strong position within the anti-malaria treatment arena by accessing major international markets through global partnerships. Further investment and expansion negotiations are progressing well," Mr. Patterson said.



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About the Anti- Malaria Treatment

The unique treatment uses a new method of administration and a formula that offers a number of significant advantages over current tablet style medications. Traditional anti-malaria tablets are in many cases ineffective in the treatment of children suffering from malnutrition and diarrhea.

Particularly effective in children, the treatment attacks the malaria parasite at far greater speed than the conventional tablets, reducing the need for continued hospitalization and resulting in significant cost savings to Governments and relief organizations.

The Malaria Crisis

- Up to 500 million cases of malaria are documented each year world wide.
- More than 41% of the world's population is at risk of contracting malaria
- One million children die every year worldwide
- Malaria is a major problem in South East Asia
- 1.2 billion or 85% of the total population of the South –East Asian region is at risk from Malaria.

With the effects of global warming, the incidence of malaria is expected to increase in many countries of the world including those presently exempt from the parasite.

About Eastland Medical Systems

Eastland® is a publicly listed international medical device company that develops, manufactures and distributes medical treatments and devices in Australia and overseas. Eastland® has four wholly owned Australian subsidiaries:

- **Portland Surgical Products Pty Ltd** is focused on manufacturing and supplying specialty hypodermic needles and medical devices;
- **Westcoast Surgical & Medical Supplies Pty Ltd** is one of Western Australia's largest distributors of surgical & medical products;
- **Eastland Medical Research Pty Ltd** is the research and development arm of the Company;
- **Medical Industries Australia Pty Ltd** is a significant importer, distributor and supplier of medical, therapeutic and allied products with an established client base in hospitals, clinics, and pharmacies across Australia.



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Eastland also holds a 50% interest in West Australian sterile barrier and packaging manufacturer **Ampack Medical Pty Ltd**.

Eastland has established a strong presence in the South African medical product distribution market through its two South African subsidiaries; its 65% held **Eastland Medical Systems South Africa (Pty) Ltd** and its 45% held **Health in Form**.

Further information:

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