



19th August, 2009

ASX Release

MARKET UPDATE

As you are aware, Eastland® has recently completed a major capital raising which successfully raised \$5.9 million before costs. This has allowed Eastland® to commence planning for the ArTiMist Phase III clinical Field Trial, to pay down debt and provide sufficient working capital for the Group.

ArTiMist™

The success of our capital raising has allowed the Company to meet recently with ProtoPharma Ltd in Norwich UK and initiate the planning and scheduling of the Clinical Field Trial in Africa, as one of the final steps to commercialise our pharmaceutical product ArTiMist™.

Mr Calvin Ross, R&D director from ProtoPharma Ltd which is the exclusive Development Consultants for Eastland® has advised that OnQ Consulting- a South African based Clinical Research Organisation- has been retained to conduct the Trial. OnQ were involved in the original ArTiMist Phase 1 Multi Dose study that was successfully conducted in Johannesburg in 2007.

Commencing the week of 24th August 2009 Mr Ross together with OnQ will visit a number of clinical facilities in Africa. Should the sites visited be suitable for the ArTiMist™ Trial, Mr Ross will undertake Audits of the facilities as part of the pre trial preparations under ICH Guidelines.

Following the site visits application will be made to conduct the trials in the approved clinic settings. On receipt of approval the trials will commence according to the submitted protocols.

Highlights

- Phase 1 multi-dose clinical trials for ArTiMist™ were undertaken in South Africa in February 2008 with positive results indicating the formulation was well tolerated and showed no adverse effects in any of the trial subjects.
- Eastland® is now moving to Clinical Field Trials and Regulatory Approval.



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Highlights

Key milestones

- Complete pre trial Agreements with local Consultants to oversee the trial,
- Undertake Audit of participating clinics,
- Complete and submit final trial protocol to relevant government authorities,
- Confirmation with all parties of the clinical Phase status,
- Agree with all parties on Start Dates for the field trial component,
- Organise trial logistics.

By mid September 2009, Eastland® expects to be in a position to provide guidance on Clinical Field Trial host country and start date.

Eastland® also advises that it has retained an Independent pharmaceutical and marketing Consultant to conduct a comprehensive marketing study around ArTiMist™. The study will provide both strategic market data and base case valuations and provide a framework for commercial discussions with major Pharmaceutical groups as the Phase III clinical trial proceeds.

NiCoSorb™

The second of Eastland's® pharmaceutical projects will be reviewed during an upcoming meeting with senior management from hc Berlin Pharma AG in late August 2009. hc Berlin Pharma AG are responsible for the development phase of the NiCoSorb™ project.

Operating Subsidiaries

Eastland® has previously advised that it intends to rationalise its other operations and will progressively dispose of non-core assets as it concentrated on commercialisation of ArTiMist™.

Westcoast Surgical and Medical Supplies (100%)

The Board has instituted a series of management changes and the business continues to operate profitably. Westcoast has been independently valued and we are currently in discussions with a number of interested parties.



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Highlights

Medical Industries Australia (100%)

Over the past 8 months management has substantially restructured the MIA business, including strengthened the balance sheet, revising trading terms and cutting costs. The ANZ bank debt has been cleared and the business is trading profitably.

We would like to make special recognition of the effort and commitment from MIA senior management in turning the business around.

Eastland® has expressions of interest from a number of parties in relation to a trade sale.

Ampack Medical (50%)

Eastland® is in discussion with interested parties for the disposal of its 50% interest in Ampack.

Health In Form (45%)

Eastland® is in discussions with HIF in relation to recovery of a debt of \$224,000 associated with the supply of medical equipment, and for the disposal of its 45% shareholding. Discussions are ongoing.

Portland Surgical Products Ltd (100%)

Eastland® owns a 2000 sq m commercial property in Portland Victoria. The building is currently lease, whilst we seek offers to purchase.

Further information:

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